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HOUSE OF COMMONS

Monday, May 5, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

SOCIAL SECURITY

SUGGESTED ESTABLISHMENT OF GUARANTEED ANNUAL INCOME—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to introduce a very important motion.

As during the past two years, six federal-provincial conferences were held on social welfare especially the guaranteed minimum income, as those conferences up to now have cost several thousand dollars to the Canadian taxpayers and as under the circumstances, it deals with a prime issue, I move seconded by the hon. member for Bellechasse (Mr. Lambert):

That this House consider in the shortest possible time the Social Credit proposals aimed at establishing a guaranteed annual income paid universally to all Canadian people to enable them to enjoy some financial and material security.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR CONFIRMATION OF APPOINTMENT OF MINISTER OF COMMUNICATIONS AS AMBASSADOR TO PARIS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion which is self-explanatory. I would move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

With reference to the appointment of ambassadors on the basis of politics and cabinet service instead of the promotion of Department of External Affairs personnel on the basis of experience, and in view of the necessity that this practice should cease, the House requests the Secretary of State for External Affairs to confirm or otherwise whether the Minister of Communications (Mr. Pelletier) has been appointed ambassador to Paris, the announcement presently scheduled to be made later this week by the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Speaker: The motion being proposed under the terms of Standing Order 43, the unanimous consent of the House is required. Is there unanimous consent?

Some hon. Members: No.

An hon. Member: We shall miss you, Gérard!

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

VAILLANCOURT CASE—POSSIBILITY OF SOLICITOR GENERAL DISSOCIATING HIMSELF FROM CABINET REVIEW OF CASE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question to direct to the Acting Prime Minister. The Solicitor General having said quite frankly in the House on Friday, I think it was, that he could not be associated in any way with an execution—with capital punishment—may I ask, without in any way criticizing the hon. gentleman for holding the views he does, whether, in order to protect the integrity of the exercise of the Royal prerogative on the basis of mercy and not on the ground of the repugnancy of the law, the Solicitor General has dissociated himself from any pending cabinet decision regarding the Vaillancourt or any similar case?

Hon. Mitchell Sharp (Acting Prime Minister): The Vaillancourt case or any other such case has not yet come before cabinet, so the question is inapplicable.

SUGGESTION SOLICITOR GENERAL SHOULD NOT CONTINUE IN THAT PORTFOLIO IN VIEW OF HIS STATEMENT ON CAPITAL PUNISHMENT

Hon. Robert L. Stanfield (Leader of the Opposition): A further question to the Acting Prime Minister. The Solicitor General having presented to parliament the legislation which governs the situation at the present time, and having voted for the measure after an unsuccessful attempt to have it amended, is it the position of the government that it is proper for the Solicitor General to continue in his portfolio in view of this frank statement that he cannot go along with the law as it now stands—the law which it is his responsibility to administer?

● (1410)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, on questions like this it is the Cabinet and not any single minister that makes the decision. I know I speak for all my colleagues when I say that when the Vaillancourt case does come before the Cabinet it will be discussed on its merits, and I am sure every member of the Cabinet will take his or her responsibility.

POSSIBLE INTRODUCTION OF LEGISLATION ABOLISHING DEATH PENALTY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in light of other comments made I would ask the Acting Prime Minister if it is the intention of the government within the next year to introduce amendments to the Criminal Code which will involve the complete abolition of the death penalty?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. gentleman knows, parliament must take action before the end of 1977. The government has not yet taken any decision as to when to introduce legislation or the form of that legislation.

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INDUSTRY

MICROSYSTEMS—REQUEST FOR PUBLICATION OF REPORT OF AUDIT OF CAPITAL EQUIPMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, considering the fact that it has been learned the government has now ordered an audit of the capital equipment owned by the federal government at Microsystems International, will the Minister of Industry, Trade and Commerce assure the House that the report of this audit will be made available to members of the House as soon as it is completed?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will give that representation very careful consideration.

MICROSYSTEMS—SUGGESTION SOME CAPITAL EQUIPMENT MISSING—POSSIBILITY PRODUCT HAD A GOOD MARKET—NEED FOR PUBLIC INQUIRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, would the minister inform the House whether he has received any preliminary reports on this audit that is taking place and, more specifically, has he been informed that a substantial amount of the capital equipment, originally financed by the federal government to a substantial extent, is in fact missing? Has he received any information to this effect and, if so, will he inform the House what further investigations the government is making into this matter?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I have received no information that machinery is missing.

[Mr. Stanfield.]

Mr. Broadbent: Mr. Speaker, the minister smiles. I should like to suggest that this is not a laughing matter when millions of dollars of public investment is at stake. I hope the minister will have a serious look at the situation in light of these reports that a substantial amount of equipment is missing. Secondly, I would refer to market reports of professional trade journals and reports of other companies in the industry to the effect that the semiconductors produced by Microsystems do have a good potential market, contrary to what spokesmen for Bell Northern have said. This is distinctly the opposite side of the coin to that provided the government by spokesmen for Bell Northern as the reason for shutting down operations. In light of these reports, and the reports regarding the missing capital equipment from those facilities, will the minister take steps to bring about an inquiry into this situation under the Inquiries Act?

Mr. Gillespie: Mr. Speaker, I do not think an inquiry under the Inquiries Act is merited. I have indicated that we are discussing with Bell Northern the settlement of an outstanding loan with us, and I can assure the hon. member that we will be pursuing those negotiations.

* * *

[*Translation*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—ACCESSIBILITY OF FEED GRAIN SUPPLIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Labour.

Considering that the special legislation which the Canadian Parliament adopted a while ago to force longshoremen at certain ports on the St. Lawrence River back to work has apparently not been complied with, can the minister advise the House of the steps he will take to protect those who have stored grain in terminals at these ports, so that they may obtain delivery without fear of pitting one group of workers against another, which would be highly detrimental to Canada?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that since the passage of the legislation in question no impediments have been placed in the way of the movement of grain, which has considerably alleviated the situation. So far as adherence to the legislation is concerned, we are still urging adherence and are taking appropriate legal action which is open to us under the law. As I understand the terms of the injunction hearing, the hearing will be held perhaps on Thursday.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Since Canadian workers are apparently complying with orders originating outside Canada, would not the minister propose an alternate formula which would permit Canadian workers from now on to receive orders from within Canada?

[*English*]

Mr. Munro (Hamilton East): Well, Mr. Speaker, that always has been a sensitive point so far as I am concerned. In this particular case longshoremen in other parts of the country are respecting the law and unloading the ships, so that in terms of this particular dispute, outside of the ports in question, the law is being respected.

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PUBLIC WORKS

DREDGING—EXTENT OF COVERAGE OF GUIDELINES FOR NEW CONTRACTS—CONSULTATION WITH MUNICIPALITIES TO REMEDY DEFICIENCIES IN GUIDELINES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Public Works further to his statement of May 2 on dredging guidelines and their adequacy. Can the hon. gentleman assure the House that all dredging performed in Canadian harbours is covered by the guidelines on dredging he announced on Friday.

Hon. C. M. Drury (Minister of Public Works): Generally speaking, Mr. Speaker, the guidelines cover all dredging done by federal agencies.

Mr. MacKay: I have a brief supplementary, Mr. Speaker. Since at least two of the indictments levelled against dredging companies involve dredging performed in harbours not under the National Harbours Board Act, can the minister inform the House what steps the government is taking to include such work in these guidelines and could he advise whether he has been consulting with the commissions and municipalities who have representatives on such commissions so that the apparent deficiencies in the guidelines can be remedied.

Mr. Drury: Mr. Speaker, I am not quite sure what is meant by apparent deficiencies in the guidelines, but we will be offering the same kind of services to other public bodies by way of advice and counsel that we are ourselves following.

DREDGING—APPLICABILITY OF GUIDELINES TO HARBOURS OPERATED BY COMMISSIONS

Mr. Elmer M. MacKay (Central Nova): I have a further supplementary, Mr. Speaker. Would the hon. gentleman simply tell us whether he has been in effect addressing himself to the problems implicit in the fact that so many of the major harbours in this country are operated by commissions, like the Hamilton Harbour for example, and what has he done to make sure that these guidelines are applied under these circumstances?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think the House will be well aware that jurisdiction over the Hamilton Harbour does not fall under the Parliament of Canada nor under the control of the federal government.

An hon. Member: That is the point.

Mr. Drury: What the Hamilton Harbour commissioners decide is in their best interests is for them to decide and is not something to be dictated by the federal government.

DREDGING—POSSIBILITY TENDERS WERE CALLED FROM COMPANIES UNDER INDICTMENT PRIOR TO ANNOUNCEMENT OF GUIDELINES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can the minister advise the House whether the government called for tenders from those dredging companies presently being charged prior to the minister's announcement to this House on Friday of the safeguards he will be applying in respect of this matter?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, there is quite a chronological range of arrangements with some of the companies currently under charge. The Department of Public Works has contracts running from last year which were entered into a year ago and subsequently, fairly early in the year, there were calls for tender made and there will be some more. So, it runs all the way from existing contracts to future calls for tender.

Mr. Lawrence: Will the safeguards, if they are to mean anything at all, apply to the contracts already let this year?

Mr. Drury: Yes, Mr. Speaker.

* * *

● (1420)

IMMIGRATION

REQUEST FOR ASSURANCE OF MEANINGFUL PUBLIC DISCUSSION IN VIEW OF ALLEGATION GOVERNMENT HAS DECIDED ON POLICY

Mr. Jake Epp (Provencher): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct my question to the Acting Prime Minister. This matter raises questions as to the integrity of government pronouncements, something which is of great seriousness to the joint committee studying the green paper on immigration. In light of reports that a basic immigration policy has already been tentatively approved by the cabinet, reports based on interviews with senior immigration officials, can the Acting Prime Minister assure the House that the public discussions will be more than simply public relations exercises on something the federal government finds distasteful to enact?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can give a positive answer to that question. The cabinet has not discussed future immigration policy. We are awaiting the report of the Joint Committee on Immigration Policy.

Mr. Baldwin: You left out two commas.

Mr. Epp: Can the Acting Prime Minister then state, in light of the answer he has just given to the House, in what light are the Prime Minister's statements at the Common-

wealth conference regarding immigration viewed, since the Acting Prime Minister states that no decisions have been made and no discussions have taken place in respect of the immigration policy that will be needed?

Mr. Sharp: One of the principles that underlies our legislation now, and that we have no intention of changing, is the principle of non-discrimination. I hope it has universal approval in this House.

Mr. Diefenbaker: It is complete discrimination, that's what it is.

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AIR TRANSPORT

CANADA-CUBA SERVICE—REQUEST FOR REPORT ON NEGOTIATIONS TO ESTABLISH ROUTE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Minister of Transport, a question which I have often asked him and which now is more timely than ever. A few days ago he indicated that he would investigate the state of negotiations between Cuba and Canada regarding a regular direct scheduled air service. Is he now in a position to indicate progress on this very important and widely favoured transportation link?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker, we have communicated with the government of Cuba and they have agreed to meet the Canadian delegation. I think the date on which the negotiations will start is May 26, and I hope they will end with a good agreement.

* * *

FINANCE

INQUIRY AS TO DATE OF BUDGET

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Finance, but he is not in his seat at the moment.

An hon. Member: He is now.

Some hon. Members: Hear, hear!

Mr. Alexander: I know the minister will be sorry to hear that in his absence we have come no closer to reaching a consensus with respect to voluntary guidelines. In fact, the prognosis indicates that inflation will be worse and so will unemployment, and that there will be no growth, something that is on everybody's mind—

Mr. Speaker: Order, please.

Mr. Alexander: This is where I come to my question. Can the minister advise us of the date of the budget for the edification of the people of Canada?

Hon. John N. Turner (Minister of Finance): I want to thank the hon. member for so warmly welcoming me back to the House and tell him that the answer is no.

[Mr. Epp.]

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR PROGRESS REPORT AND CONFIRMATION OF EXISTENCE OF CERTAIN DOCUMENTS RELATING TO PROGRAM OF CONSENSUS ON RESTRAINT

Mr. Lincoln M. Alexander (Hamilton West): Perhaps I can say that I am glad to see the minister back in Canada so he can get on with the job which he was elected to do. I wonder if the minister could confirm whether in fact there are two documents in existence, one, I believe, entitled "Proposals for the First Year of Consensus" and the other "Machinery for Administering a Voluntary Restraint Program" and whether these documents have been submitted to both labour and management. In this regard, would the minister now undertake to make a statement to the House in order that the country will know just what is going on and what the minister has in mind?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, all documents in circulation are still working papers only. The various details have not been decided upon either by the government or in discussion with any sector of the economy. They are still open for discussion. So I think it would still be pre-mature for me to comment on the details.

As for the general principles underlying the process, my parliamentary secretary, the hon. member for Sarnia, tabled those in the House of Commons simultaneously with my delivering those remarks to the first minister at the recent federal-provincial conference.

INFLATION—POSSIBILITY OF GUIDELINES ON INCOME BEING PRESENTED TO LABOUR

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in view of the fact that the support of labour of voluntary restraint will depend on an assurance of comprehensive restraint, has the government prepared precise guidelines on all forms of income, including fees and dividends, and all prices, including metals and shelter? Will these guidelines be given before the meeting on Wednesday?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I said to the hon. gentleman's quasi seatmate, it would still be premature for me to speak about those details.

INFLATION—RESPONSES TO QUESTIONS FROM CANADIAN LABOUR CONGRESS CONCERNING LOW INCOME WORKERS

Mr. John A. Fraser (Vancouver South): On April 24 the Acting Minister of Finance said that the government was working on responses to a number of specific questions from the Canadian Labour Congress regarding low income workers and other important matters, such as employment growth and job security. Have those questions yet been answered, and if not, will the CLC receive some answers before the Wednesday meeting?

Hon. John N. Turner (Minister of Finance): There have been very thorough discussions with the CLC on a technical level, and if, as and when the consensus is arrived at, details will be given fully in the House.

Mr. Fraser: Is the minister advising us that those questions have not yet been answered or communicated to the CLC?

Mr. Turner (Ottawa-Carleton): It is not a matter of question and response. It is a matter of discussion. Those matters are among the subjects which have been discussed.

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EXTERNAL AFFAIRS

EXPULSION OF PRESS ATTACHÉ OF PEOPLE'S REPUBLIC OF CHINA—REQUEST FOR EXPLANATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister. It arises because of further press reporting about the removal of the press secretary of the Chinese embassy. Over the weekend it has been stated that he was an espionage courier. I am referring to a UPI dispatch copied in the Toronto *Star* in which it states that he took weekend trips to Washington to pick up secrets and military information, then returned to Ottawa and transmitted them to mainland China. In view of these further statements, is the Acting Prime Minister prepared to elucidate the reasons for this envoy ejected from Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as my colleague the Secretary of State for External Affairs said, the reason was that he was carrying on activities incompatible with his position as a diplomat. That is what he has said, and I have nothing further to add.

Mr. Diefenbaker: In view of the pall of silence placed over this incident because we might annoy communist China if details were to be publicly revealed, will the information regarding this matter be made available to opposition members who are of the Privy Council, so that, while unrevealable by them, it will nonetheless give an assurance which up to the present time certainly has not been given? There is something in connection with this matter which reminds me of Shakespeare when he said that "something is rotten in the state of Denmark" which is being covered up.

Mr. Sharp: There are occasions when it might be useful to follow this procedure. I can assure the right hon. gentleman that we have nothing to hide which would in any way reflect upon the integrity of the Government of Canada. I will convey the suggestion he has made to my colleague when he returns.

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INDIAN AFFAIRS

REDUCTION OF FUNDING OF NATIVE ORGANIZATIONS PARTICIPATING IN BERGER COMMISSION HEARINGS—REQUEST FOR REPORT

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I would like to ask a question and put one or two supplementaries to the Minister of Indian Affairs and Northern Development arising out of answers the minister gave on April 24 to my questions concerning the cutback in funding to native organizations taking part in the Berger Commission inquiry. In view of the undertaking of the minister to look again at the level of financial support, and in view of the representations which have been made, is the minister now in a position to assure the House that the funds provided to native groups in the Northwest Territories will be increased to a level which will permit their effective participation in the upcoming community hearings?

● (1430)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated to the hon. member, I have looked again at the situation and have had discussions with Mr. Justice Berger. The commission counsel will be here in the next two or three days to look at the situation. We want to see if we can earmark some of the funds going into his budget to assist some of the native people in having the environmentalists appear as their witnesses.

Mr. Firth: Mr. Speaker, will the minister elaborate on his reference last week to the possibility of funding being provided through the Berger commission budget? Also, is the minister now in a position to inform the House whether funds will be made available to the northern assessment group?

Mr. Buchanan: Mr. Speaker, I really cannot elaborate very much until we have this meeting with the counsel to Mr. Justice Berger's commission. The thought was that the funds would flow though this body to provide the native people with funds so that if they wished to have representatives of the northern assessment group appear as witnesses before the commission, they could do so.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

TRANSPORTATION OF ALASKAN OIL—STATUS OF UNITED STATES LEGISLATION AND ALTERNATIVE PORT

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

In reply to questions recently put to her, the minister stated she was extremely pleased with the fact that a bill is now being studied by American authorities with a view to financing the construction of a pipeline providing an alternate site for the delivery of crude from Alaska. Can the minister now tell us what progress has been made on that bill and whether the Canadian government was consulted on the choice of alternate sites?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I cannot give the hon. member any information on the fate of that bill now before the state legislature of Washington. I know it was introduced, but am not aware of what the legislators of that state will do with it. As for consultations that may have been held between the

Canadian government and the authorities who introduced the bill, they were not formal; however the American authorities are well aware of the Canadian point of view on the possibility of increasing supertanker traffic in the Juan de Fuca Strait, and that we have insisted for a long time that another port should be chosen for oil delivery.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I want to ask a supplementary question.

Since the Washington State Oceanographic Commission has considered some locations for the delivery of crude oil from Alaska, but only those in the Juan de Fuca Strait, and has until now made no recommendation in that regard, how can the minister believe that the study of alternative locations may prevent environmental damage in the Juan de Fuca Strait and on the coast of British Columbia?

Mrs. Sauvé: Mr. Speaker, the oceanographic institute, as the hon. member said, studied several possible locations for oil delivery ports in western Canada. The studies were not limited to the ports which are located in the Juan de Fuca Strait. I know for certain that other places on the coast have been considered, but due to the topography and especially to the streams that are found on that coastline, the establishment of superports for oil tankers in that area would present huge problems. The proposed location of Port Angeles has the advantage of being closer to the entrance to the Juan de Fuca Strait.

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[*English*]

FINANCE

REASON INTEREST RATES PERMITTED TO RISE—POSSIBLE STABILIZING EFFECT ON CANADIAN DOLLAR

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Finance. While the minister was away, his colleague, the Minister of State for Urban Affairs, expressed concern over the recent rapid increase in mortgage rates and resolved to speak to the minister about it upon his return. Can the minister tell the House whether this important conversation has taken place, and can he clarify for the House the government interpretation as to why short term interest rates in general, and mortgage rates in particular, are being allowed to rise at a time when the minister is attempting to stimulate the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have not yet had an opportunity to talk with my esteemed colleague, the Minister of State for Urban Affairs. I hope to shortly. With regard to mortgage rates, hopefully that might reflect some upturn in the market and pressure on it.

Miss MacDonald (Kingston and the Islands): Does the minister endorse the Bank of Canada's policy of raising interest rates in order to stabilize the decline of the Canadian dollar?

[Mrs. Sauvé.]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not agree with the assumption on which the question is based. Therefore, I am not going to comment on it.

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PUBLIC WORKS

DREDGING—SUGGESTED FORMATION OF CROWN CORPORATION

Mr. Paul E. McRae (Fort William): Mr. Speaker, I have a question for the Minister of Public Works. In view of the fact the government owns 20 or more dredging rigs, will it consider the formation of a crown corporation to compete with the private sector of the dredging industry to give the government a monitoring position and, in effect, establish a reserve bid system?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, possession and operation of dredging equipment by the Department of Public Works does not, in effect, establish the kind of experienced performance that the hon. member is seeking. I do not think that converting this to a Crown corporation would improve the situation at the present time.

Mr. Baldwin: Bring back Hal Banks to run it.

Some hon. Members: Hear, hear!

* * *

CRIMINAL CODE

SUGGESTED REFERENDUM ON CAPITAL PUNISHMENT

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the Acting Prime Minister. It has to do with the lead off question on capital punishment. Will the government consider a national referendum on the abolition or retention of capital punishment prior to 1977 or prior to the next federal election?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. The government has no such intention.

Mr. Paproski: Surely the people of Canada should be allowed a little bit of input on this very important question before the next federal election.

Mr. Sharp: Mr. Speaker, at every general election, the people of this country have some input. The last time they elected a majority of Liberals.

Some hon. Members: Oh, oh!

[*Translation*]

SOCIAL SECURITY

SUGGESTED USE OF BANK OF CANADA TO FINANCE GUARANTEED ANNUAL INCOME

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to ask the Minister of National Health and Welfare a question.

Considering the objections from Quebec on the basic proposal of the minister for the establishment of a guaranteed income supplement plan for all Canadians, has the minister thought of asking or suggesting to his provincial colleagues that the ideal way of settling this financial problem would be to use the resources of the Bank of Canada?

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

* * *

[*English*]

EXTERNAL AFFAIRS

VIET NAM—SUSPENSION OF BILATERAL AID PROGRAMS—POSSIBLE RECOGNITION OF NEW REGIME

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Acting Secretary of State for External Affairs. In view of the changes that have taken place in the situation in South Viet Nam, has the government suspended bilateral aid to the area and is it continuing to make available emergency assistance and food aid, using the International Red Cross, UNICEF and the United Nations High Commissioner for Refugees as channels?

Hon. Gérard Pelletier (Acting Secretary of State for External Affairs): Yes, Mr. Speaker. The Canadian government has suspended bilateral aid programs to Viet Nam and Cambodia, but is continuing with its humanitarian assistance programs to the region through multilateral agencies.

● (1440)

Mr. Brewin: A supplementary, Mr. Speaker. In view of the further fact it now appears that the authorities representing the PRG are in effective control of the area formally known as South Viet Nam, in order to facilitate direct and urgent discussions with that government in respect of compassionate and humanitarian assistance, will the government give consideration to the question of recognition of the regime?

[*Translation*]

Mr. Pelletier (Hochelaga): Mr. Speaker, according to reliable reports, the new authorities would have made contradictory statements about their intentions of recognizing other governments, and until such a situation has been cleared up it would seem premature on the part of the government to make a decision on its own as to the recognition of the new authorities.

[*English*]

THE CANADIAN ECONOMY

INFLATION—KNOWLEDGE OF MINISTER OF QUESTIONS BY AND RESPONSES TO LABOUR CONCERNING PROGRAM FOR CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question for the Minister of Finance. I should like to ask the minister whether he has been fully briefed since his return on what took place in connection with the consensus program while he was away. Can he assure the House that he has been fully informed of any questions that organized labour may have about this program? Also, can he tell the House that the government has answered all the questions raised by the CLC? I put these questions in view of the important meeting which I understand is to be held next Wednesday at which CLC and organized labour will make fairly fundamental decisions with regard to this program.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as the hon. gentleman knows, the ministers themselves met with the executive of the CLC on two or three occasions. Following the tabling of a statement in the House by my parliamentary secretary, we set in force technical groups, one meeting with the Canadian Labour Congress and organized labour, one meeting with various segments of the business community as I described to the House before and the third, the technical group, meeting with the representatives of the provinces. Through those technical discussions with labour, I understand that various avenues were explored on a number of subjects. There is nothing definitive at this stage, however, and I await the reaction of the labour movement to the discussions as they have proceeded so far before deciding whether to move into the final stage of the discussions.

Mr. Stanfield: A supplementary question, Mr. Speaker. In view of the importance that the minister attaches to this program and in view of the importance of the government mounting some framework within which to fight inflation and permit expansion of the economy, could the minister not answer my question very simply by giving an assurance that he has been fully briefed and that the leaders of organized labour have to his knowledge been given all the answers, all the information, and all the assurances they require before they consider this question on Wednesday evening?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I can assure the hon. gentleman that I have been fully briefed since my return from the Middle East. To the best of my knowledge, all the subjects which the leaders of organized labour have wished to canvass in terms of government latitude have been given consideration. There is nothing firm at this time, however. I understand that the Canadian Labour Congress executive will canvass the subject in more detail with leaders of their constituent unions on Wednesday. It is because of the importance that I attach to this exercise that I feel this is as far as I can go with the hon. gentleman today.

Mr. Stanfield: Mr. Speaker, I am not asking the minister for specific information or details. My final supplemen-

tary to the minister is whether, in view of the importance of the program, he has sought an invitation from leaders of organized labour in Canada to appear personally at their meetings in order to use his good offices and great eloquence to help persuade them to adopt this program and also to answer any questions they may put. Is the minister prepared to involve himself personally in this enterprise?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is my understanding that at this stage representatives of labour wish to have discussion among themselves. At a later stage if they were to issue an invitation I would be available and do my best to sell the program.

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SPORTS

SUGGESTED USE OF OLYMPIC FUNDS TO AID ATHLETES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. Because a number of Canada's athletes who are training for the 1976 Olympics are on welfare, unemployment insurance and almost all have gone into debt as a result of their training—in fact there are cases of malnutrition, some lack heating due to unpaid bills, some teams have disbanded, others are in cramped quarters and so on—I wonder if the minister could advise the House whether he is prepared to take the necessary steps to have funds raised under government and commercial Olympic programs directed immediately toward direct grant aids for our athletes. I emphasize the word "direct", Mr. Speaker.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first, if the hon. member is aware of athletes who have serious nutrition problems and are on social welfare, I would be happy to have a list of them and examine their cases specifically.

Second, action has been taken in that field, jointly with the Plan of 1976 Games, in order to increase assistance to athletes.

Third, my colleague, the Minister of Manpower and Immigration, has given instructions that manpower centres be made available particularly to athletes to help them find a job in particular situations.

Finally, this afternoon, I will meet the athletes' representatives to discuss the whole matter.

[*English*]

SUGGESTION RADIO AND TELEVISION COMMERCIALS CAUSING PUBLIC TO BELIEVE ALL OLYMPIC FUNDS TO GO TO ATHLETES—REQUEST FOR ALTERATION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I am happy to see that the minister is finally willing to accept the invitation of myself and my colleague the hon. member for Fraser Valley West to meet with athletes. It has taken him about three weeks to agree to that.

[Mr. Stanfield.]

My supplementary question is for the Acting Prime Minister. Because of the fact that athletes who qualify for federal grants receive a mere $50 a month maximum and there are statements of anger and militancy and that dropping out is becoming widespread and in view of the fact that existing radio and TV commercials are misleading in that Canadians are led to believe—

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

Mr. Jelinek: Yes, Mr. Speaker. Because of the fact that radio and television commercials are misleading and lead us to believe that all funds raised go to the aid of athletes, could the minister assure this House that these commercials, particularly commercials under the federal jurisdiction, will be altered so that they do not mislead the Canadian public further?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as to the first part of the hon. member's assertion, I want to stress the fact that I indicated very clearly I was prepared to meet the athletes any time and as soon as they are available. The suitable time for the athletes was today and I arranged to be available to meet them. As to the second part of the hon. member's question, I think he knows the answer.

* * *

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT VIEW OF FACTORS CAUSING INFLATION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, mine is a supplementary question for the Minister of Finance. In view of the government's earlier position that inflation was largely caused by international factors, could the minister indicate whether that it is still the government's position and, if so, what steps is he taking to deal with those international factors?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it was the position of the government in 1973 and 1974 that the primary forces of inflation were imbalance of supply, and demand both worldwide in Canada.

Mr. Stanfield: And the weather.

Mr. Turner (Ottawa-Carleton): This provoked a sharp rise in commodity prices and was compounded, as the hon. Leader of the Opposition has reminded me, by the weather which produced disastrous harvests in some parts of the world and tripled the price of grain from $2 to $6 a bushel. Conditions were compounded as well by the quadrupling of oil prices in 1973-74. As I have said to the House on several occasions, in the November budget and in response to the motion from the NDP commenting on economic policy, the primary forces at the moment are cost-push thrusts in the economy.

Mr. Yewchuk: A supplementary question. Am I to take it from the minister's long and tortuous answer that the government has changed its position and now feels that

the factors contributing to inflation are primarily ones which arise domestically?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is stating it a little too starkly, but I wanted to take the time of the House to assure myself that he understood the government's position in 1973-74.

* * *

NATIONAL DEFENCE

ALLEGED UNJUST SENTENCES BY COURTS MARTIAL IN ATLANTIC COMMAND—REQUEST FOR REPORT

Mr. Joe Flynn (Kitchener): I have a question for the Minister of National Defence, Mr. Speaker. Will the minister report to the House on the unjust penal sentences apparently issued at recent courts martial in the Atlantic Command to members of our naval forces for petty offences such as removing two cartons of cigarettes from a naval dockyard? Mr. Speaker, I said "removing" not "stealing". These sentences have amounted to as long as one year in penitentiary.

● (1450)

Hon. James Richardson (Minister of National Defence): I think the sentences are in order having regard to the crimes committed, but they are, of course, subject to appeal.

* * *

PUBLISHING

ALLEGED STATEMENT BY MINISTER ADVOCATING GREATER CANADIAN CONTENT IN FOREIGN MAGAZINES—REQUEST FOR CLARIFICATION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Secretary of State. About a week ago the hon. gentleman made a speech to United States publishers advocating that there be a higher degree of Canadian content in foreign magazines if they were to be welcome in Canada. Would the minister clarify that statement? Is he suggesting a policy which would inhibit the free flow of foreign magazines into this country.

Hon. James Hugh Faulkner (Secretary of State): No, Mr. Speaker; I made a specific point of that in my speech in West Virginia. If the hon. member wishes further clarification I shall be at the Standing Committee on Broadcasting on Friday morning.

* * *

ELECTION EXPENSES

POSSIBILITY OF INTRODUCTION OF LEGISLATION—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is addressed to the Acting Prime Minister in his capacity as President of the Privy Council. Does the government intend to introduce this session any further amendments to legislation concerning election expenses?

Hon. Mitchell Sharp (Acting Prime Minister): I think it would be desirable if legislation of this sort could be introduced during the present session. I have had the advantage of recommendations from an all-party committee which has been considering the Election Expenses Act; proposals have been put before me which are now being translated into the form of amendments to the act. I would hope that if any members of the House of Commons, or any of the associations or other bodies in the country which are interested have suggestions to make, those suggestions would be forwarded now in order that they may be incorporated into the draft which I look forward to placing before the House before the end of the session.

* * *

FINANCE

BALANCE OF PAYMENTS POSITION OF UNDERDEVELOPED NATIONS—POSITION OF IMF SPECIAL FUND

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister of Finance. In welcoming him back, may I ask him to make a full statement to the House shortly on his findings as to the situation in the Middle East. As the International Monetary Fund has reported that the world's industrialized nations have regained most of the monetary reserves they had lost since the fourfold increase in the price of oil, has there been any recent improvement in the balance of payments position of the less well developed nations, excluding the major oil exporters, and what has happened to the IMF special fund?

Hon. John N. Turner (Minister of Finance): There has been some success among the industrialized nations in cushioning themselves against their deficit position in their balance of payments. The IMF facility is in place. The so-called solidarity fund stands at $25 billion. Because the oil exporting countries, particularly Iran and Saudi Arabia, are finding that they are able to absorb more of this money by way of imports and the industrialization of their own economies, they are accumulating surplus at a less rapid rate. The problem on the third world, however, remains just as great as it was.

GOVERNMENT POLICY ON MEASURES TO CLOSE GAP BETWEEN RICH AND POOR NATIONS

Mr. Douglas Roche (Edmonton-Strathcona): Is it the intention of the government to link up the work the minister has just completed in the Middle East in the recycling of petro-dollars, to link up the proposal made this week by the Secretary of State for External Affairs for revenue-sharing at the Law of the Sea Conference, to link up the statements of the Prime Minister on the new international economic order which he made at the Commonwealth conference, to link all these into a new, comprehensive policy on international development which will put Canada in the forefront of the developed nations, recognizing that it is international structural changes, not

just foreign aid, which will close the widening gap between rich and poor in the world?

Hon. John N. Turner (Minister of Finance): The Prime Minister and the Secretary of State for External Affairs have both been directing their attention to commodity pricing and the realignment of world trade. Within the International Monetary Fund itself, and the World Bank, its sister institution, we have been concerning ourselves with subsidy accounts at low interest rates to the third world, with third window financing through the World Bank, and so on. Whether these endeavours should be linked in one comprehensive policy is another matter. But we are moving in the same direction.

* * *

NATIONAL DEFENCE

REPLACEMENT FOR ARGUS—CONSIDERATION OF BOEING AND LOCKHEED PROPOSALS—PAYMENT FOR CONTRACT DEFINITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, may I direct my question to the Minister of National Defence? On April 15, some three weeks ago, the minister issued a statement indicating that the program for replacement of the Argus was proceeding according to plan; the contract definition stage had been completed and recommendations were to be made to cabinet. On May 1, the minister completely reversed his position and stated: "We may still find the answer in either the Boeing or the Lockheed proposal; we may, but we want to make certain that we widen the search." It appears the minister has turned an orderly replacement program into an utter shambles. Can he tell the House whether he still intends to have the acquisition contract for the Argus replacement signed before August 2?

Hon. James Richardson (Minister of National Defence): We are continuing to examine the bids and proposals put forward by Boeing and by Lockheed, but as I indicated to the standing committee we intend to consider other proposals as well.

Mr. McKinnon: The decision to pay between $10 and $11 million to two United States firms for contract definition purposes can only be rationalized if the government has in fact firmly decided to buy one or the other of the two planes. If a decision has still to be made, does the minister not agree that the $10 or $11 million may have been totally wasted?

Mr. Richardson: No, Mr. Speaker. I would say that when we are spending several hundreds of millions of dollars, that kind of expenditure which could help us to do the right thing, constitutes money well spent.

[Mr. Roche.]

THE CANADIAN ECONOMY

INFLATION—EFFECT OF DEVALUATION OF DOLLAR

Mr. James Gillies (Don Valley): My question is for the Minister of Finance, Mr. Speaker. Since the minister has told us he has had an opportunity to become well-briefed on the Canadian economy since his return, may I ask him to tell us how much impact on domestic inflation the precipitous devaluation of the Canadian dollar is having at the present time?

Hon. John N. Turner (Minister of Finance): I could not pinpoint it exactly.

Mr. Gillies: Could one consider that since it has failed to control domestic inflation the policy of the Canadian government at present is to compensate by letting the dollar float down, regardless of what level it might reach and regardless of the effect on other countries of the world?

* * *

BROADCASTING

ALLEGED STATEMENT BY MR. JUNEAU STATIONS NOT CONTRIBUTING TO COMMUNITY WOULD HAVE DIFFICULTY RENEWING LICENCES—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): A question for the Minister of Communications, Mr. Speaker, arising out of a statement by Mr. Juneau as head of the CRTC that broadcasters who do not make a so-called reasonable contribution to their communities would have trouble at licence renewal time. May I ask whether the government endorses this policy and has it laid down guidelines which the CRTC might use when defining "reasonable contribution"?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I am not informed of this statement made by the chairman of the CRTC, but if the hon. member wants to refer to the Broadcasting Act, he will realize that the CRTC was specifically created to establish the kind of standards that the hon. member does not seem to like.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fourth report of Standing Committee on Health, Welfare and Social Affairs in both official languages—Mr. Isabelle.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

● (1500)

[*English*]

ENERGY

TABLING OF NATIONAL ENERGY BOARD REPORT ON EXPORT PRICING OF NATURAL GAS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2), and preparatory to a statement that I will be making under the next item, I should like to lay on the table copies, in both official languages, of the report of the National Energy Board on the export pricing of natural gas, dated March, 1975.

* * *

TEXTILE AND CLOTHING BOARD

TABLING OF INTERIM REPORT ON MEN'S SUITS IMPORTED FROM REPUBLIC OF KOREA

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I am tabling, in both official languages, copies of the interim report by the Textile and Clothing Board respecting men's suits imported from the Republic of Korea.

* * *

ENERGY

STATEMENT ON GOVERNMENT'S DECISION REGARDING PRICING OF NATURAL GAS EXPORTS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to advise the House of the government's decision regarding the pricing of natural gas exports. Acting on the advice of the National Energy Board, and in keeping with our policy of phasing natural gas prices to their commodity value in relation to competing fuels, the border price of export gas, with a few exceptions, will be set at $1.60 per thousand cubic feet on November I of this year. We will phase towards that level by establishing a price of $1.40 per thousand cubic feet on August 1. The exceptions I mentioned refer to one licence where the commodity value in that market area, in the board's opinion, will be reached at $1.30 per thousand cubic feet; for a short-term shipment under special prices from Pan-Alberta; and for small quantities of winter peaking gas which are traditionally sold at higher prices.

The National Energy Board had recommended a border price of $1.60. The government has decided on a phasing period to this level to help ease the impact in the export markets, especially those which are totally dependent on Canadian gas.

Mr. James Gillies (Don Valley): Mr. Speaker, we on this side of the House of course, welcome the statement of the minister to clarify some of the uncertainties that have been prevalent in this field for some time. I know the minister is aware of the fact that under the act establishing the National Energy Board in 1959, it was the policy of the Government of Canada at that time—a policy that has never really been specifically changed—that all our exports of natural materials and resources should be sold at a price on foreign markets certainly equivalent to the price on the domestic market, and that under the 105 per cent rule the products would be sold for 5 per cent higher than related commodities in the market to which they were going. We generally support that proposition which was brought in by the Conservative government at that time.

Since 1959, the National Energy Board has intervened in the pricing of exports in a way that has been favourable to many of the people who are buying our natural resources. Indeed, the announcement by the minister today merely means that we are extending once again to our neighbour—we do not, of course, oppose this—the opportunity to acquire our resources at attractive prices.

We support the proposition of staging. We think this is the proper approach and we appreciate the fact that the minister realizes, in this age of inflation and unemployment, that staging is a very important consideration. But we believe it is time the commodity value approach was followed in the pricing of many of our resources. The really critical question facing all Canadians and facing this government in the sale and the pricing of our resources is the fundamental question of assurance of supply, of being certain that we will have sufficient supply to meet our own needs and indeed to meet the needs of other countries to the extent that our own production is surplus to our own needs.

The question that the minister does not direct himself to in this statement, nor very directly in the press release that accompanied the statement, is how are the producers of natural gas going to be rewarded by these price changes? We have argued before, and we still contend, that the fundamental problem as far as resources in this country are concerned develops from the budgetary position taken by the government in the last budget some time ago. We hope that the Minister of Energy, Mines and Resources (Mr. Macdonald) will use all his strength and effort in the debate that goes forth on a new budget to make certain that adjustments are made in the tax system so that we have a policy that will encourage an increase in supply, which is the fundamental matter of concern to all Canadians as far as pricing and exports are concerned.

We also believe that the government must constantly bear in mind the fact that the producing provinces are making available a resource that is not renewable. We do not know what the reserves really are, but we hope that at some future time, certainly in the not too distant future, the government will move ahead and provide a *quid pro quo* to the producing provinces for making these resources available around the world at less than the world price.

On balance, Mr. Speaker, we welcome this statement. We believe that the introduction of certainty into this area is very important. We think that phasing is important, but we want to re-emphasize that until something is done in a budgetary way to make sure that supply will be increased, that the tax situation is altered so that producers can effectively operate, we will never come to a realistic solution of the problem of the production and sale of natural resources in this country.

Natural Gas Pricing

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, for the past ten years Canada has been exporting more than half of its oil and gas supplies despite the fact that our new discoveries were not sufficient to replace these rapidly depleting resources. Even more serious is the fact that we have been selling these commodities at a price which was ridiculously low. The government took steps last year to deal with the oil situation by setting an export price, and it is now in the process of phasing out our exports of oil.

With respect to natural gas, we have been moving at a very slow pace indeed. On January 1, the minister announced the price of $1 per thousand cubic feet. Now the National Energy Board has recommended a figure of $1.60 per thousand cubic feet. The minister has apparently acceded to the request of the American delegation which visited this city a week or two ago and has decided to phase in this price by moving to $1.40 on August 1 and then to $1.60 on November 1.

Personally, Mr. Speaker, I agree with the National Energy Board. I see no reason for phasing in the increase, but if the minister feels he can establish better relations by doing so, then I will not raise any strenuous objection. I think, however, it should be pointed out to those who feel that we Canadians are seeking to exploit our American neighbours with regard to this very crucial energy supply by raising the price at this time, that they should keep in mind two things. First, that even $1.60 per thousand cubic feet is less than the price at which some United States gas is being sold in the United States. I am informed that some of the Texas gas is being sold at a price as high as $2 per thousand cubic feet. It should also be remembered that our gas reserves are running out very rapidly and that the replacement of those reserves will mean frontier supplies will be needed, which will cost a great deal more than the price we are securing for this gas we are now exporting.

I am glad the government has finally acted on this matter. I have felt for a long time that both the government and the National Energy Board have not acted expeditiously both with respect to the price at which we were selling natural gas and the amount that we were exporting. For years we have sold Canadian gas to the United States at a price lower in some instances than we were charging Canadian consumers. I hope the next thing the government will do will be to consider whether we can continue to send large quantities of gas to the United States in view our domestic situation. I recognize the difficulty of cutting down exports of gas, but under the National Energy Board Act the board has power to amend, alter or rescind any of the gas contracts. I think this is a situation to which the government ought to be giving some consideration.

However, I am glad the minister has acted and that we are now going to have a price that is certainly more relative to the cost of other fuels in the United States. It will also mean that the price at which we are selling gas to the United States will at least bear a fair relationship to the price we are charging Canadian consumers.

[Mr. Gillies.]

• (1510)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have just been through the very important statement to the House by the Minister of Energy, Mines and Resources dealing with the price of natural gas.

I think the new policy as stated by the minister is in keeping with the National Energy Board's report, which mainly aims at bringing prices level with the price of crude oil on major Canadian market as well as increasing export prices.

It is perfectly normal, when we export a commodity to the United States or elsewhere, that prices should be at least the same as prices to Canadian consumers. And I think the minister's statement is a step in that direction.

At first sight, an increase in the prices looks acceptable. However, we shall have to be careful that it does not entail an excessive increase in the cost of some Canadian commodities, which manufacturers need in their production processes. We shall have to be very careful in that respect too.

Constitutionally, natural resources come under the jurisdiction of provinces. Revenues should therefore benefit provinces. In a confederated land like ours, when the central government assumes its responsibilities, especially with respect to exports, which fall under its jurisdiction, if we can take advantage of our natural gas exports to the United States, I hope Canada as a whole will benefit from those exports, because we shall obviously derive some benefit. Provinces which are not as richly endowed in that respect will have to be granted some sort of compensation through the equalization payment system.

I feel we have an obligation to make sure producers benefit from that, as the minister stated, so that there be an incentive to increase production and research efforts, first to cover our needs and also to meet our export commitments. The minister on the other hand will have to make sure there is no company profiteering at the expense of Canadian consumers.

The minister anticipates this new price policy will bring extra revenues in the order of $583 million. That is a significant amount. I hope these expected extra revenues will help the Minister of Finance (Mr. Turner). It appears he is experiencing great difficulty in the final preparation of his budget to be tabled this month.

[*English*]

Mr. Speaker: Order, please. The statement of the minister was extremely brief and it would perhaps have taken extreme discipline to limit opposition spokesmen to anything like the same length of time. However, opposition statements were a good deal longer than the minister's statement, understandably so in the circumstances. That fact, coupled with the fact that quite frankly there is no substantial disagreement with the basic principle of the statement, leads me to the opinion that I ought to put a rather strong limitation on the questioning. I would, therefore, propose to recognize two members of the Official Opposition, one member of the New Democratic Party and one member of the Créditiste Party for questions.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question deals with a statement on page 6 of the minister's press release. I will quote it so the House will hear it. It reads:

> In the case of Alberta, the government has decided that the proceeds resulting from higher prices should be distributed to producers in Alberta on a basis which is mutually acceptable to the Alberta and federal governments.

Is this mutual agreement in harmony with the existing federal budget?

Mr. Macdonald (Rosedale): Mr. Speaker, I have a little difficulty relating that question to what is proposed here. I should explain to the hon. gentleman that as a result of this price increase, some producers in Alberta will receive a very large increment because they have sold their gas for export, while those who have sold their gas into the domestic market will not receive as large an increment, at least at this time.

On that basis, we have discussed with the province of Alberta at least a system of prorationing or equalization among Alberta producers so the same percentage benefit would go back to all producers of gas within that province as though they had all sold their gas on a prorated basis into export markets. That is what is contemplated and that is what was discussed with provincial officials about a week and a half ago. I will be meeting with the Alberta minister again this week to further discuss the matter.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I asked whether this deal with the Alberta government concerning these proceeds going back to the producers, even on a quota system, was in conformity with the federal budget of last November. I did not get an answer to that question, so I will ask a second question in relation to the same thing but based on a quotation from page 5 of this press release as follows:

> An exception in the flow-back of proceeds to producers will again be made in the case of British Columbia where additional revenues will go in the first instance to the British Columbia Petroleum Corporation with the expectation that the BCPC will take the necessary steps needed to stimulate the production of gas in that province.

My question, once again, is the same. Is this expectation based on ignoring the budget, at the federal level, of last November?

Mr. Macdonald (Rosedale): Mr. Speaker, I find that question obscure. Of course, the hon. member knows that the tax law stands as it is right now, and in no sense does the redistribution of the increase going back to these particular provinces in any way conflict with the budget. It goes back to the producers in Alberta and into their general revenues, and is subject to the provisions of the tax law and may be subject to taxation. In the case of the British Columbia Petroleum Corporation, in essence the arrangement worked out with the province on the deemed value of the gas as of January, 1975, will apply there as well.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, while we always accept your judgment on matters of questions, I should point out that the minister's statement was only half a page in length, but his press release is six pages long and gives a great deal of information which really ought to be dealt with, or at least we ought to be able to get some further information on it.

In the minister's press release he points out that the increase in the export price of natural gas will result in additional revenue of roughly $583 million per year, and the minister expresses the hope in the release that this will encourage the development of additional sources of supply and stimulate production. I recognize that higher prices will bring in some shallow pools that normally would not be economically viable, but is the minister planning any type of monitoring to ensure that the higher revenue which is derived from this new price will be used for exploration by the companies concerned?

Mr. Macdonald (Rosedale): Mr. Speaker, we are in a position to monitor that now, though not on a day to day or week to week basis. Over any period of time it can be readily determined from the exploration effort going forward, in the province of Alberta and in the foothills particularly, whether the anticipated amount of work is being carried out. As to whether this increase is finding its way back into exploration, or if individual companies are diverting the cash to other purposes, the ability to monitor does exist now, although in somewhat longer time-frames than on a day to day or week to week basis.

As I indicated at the federal-provincial conference, if we find that, despite all their protestations to the contrary, the private sector is diverting these funds out of Canada or not applying them to bring on further supplies, then an appropriate conclusion will have to be brought forward in terms of the budget.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I welcome that statement by the minister, Mr. Speaker. May I ask one additional, short question? Having now made the announcement with reference to the export price of natural gas, how soon does the minister expect to conclude his discussions with the producing provinces in order to be able to make an announcement in respect of the domestic price of natural gas?

Mr. Macdonald (Rosedale): I cannot be sure of that, Mr. Speaker. I will be seeing my Alberta counterpart and the minister of federal and intergovernmental affairs here in Ottawa later this week, and we may have some better indication then as to their viewpoint. After that it will be important, on the question of natural gas, to discuss this question with the governments of the consuming provinces, in this case Saskatchewan, Manitoba, Ontario and Quebec. Those discussions would have to be pursued, and I think only after time has elapsed would it be possible to have contact with some of them. I have already met with Saskatchewan. On that basis, I believe we could arrive at what would seem to be a fair price. I would hope we might have agreement at that time.

● (1520)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would ask the minister whether he is now aware of the national gas potential in the province of Quebec, and if so, whether he expects a possible self-sufficiency in this area?

Natural Gas Pricing

Mr. Macdonald (Rosedale): Mr. Speaker, I must say I do not believe there is at this point any real possibility of natural gas self-sufficiency in Quebec. There is no doubt a potential. Geological areas point to a potential for natural gas production in Quebec. Drillings are now being performed by a few companies, including Soquip, but I believe I am right in saying there is no self-sufficiency prospects at this time in Quebec. Of course we are hopeful that drillings especially on the continental shelf, will bring such a possibility. But this involves almost ten years of work.

Mr. Allard: Can the minister tell the House, since there was recently a natural gas price increase in Alberta, whether this will have any implications for the consumers using natural gas for heating, cooking and what not, and whether also this will have any impact on fuel oil?

Mr. Macdonald (Rosedale): Mr. Speaker, in my statement today I referred only to the price of national gas exported to the United States. There has been no decision yet about the price of domestic gas. I can however emphasize there will be talks with Alberta and other governments, including that of Quebec, on a possible increase in the domestic price. But there has been no decision yet.

[*English*]

Mr. McRae: Mr. Speaker, I am very pleased with the statement of the minister, which indicates that the price of exported gas will be brought into line with prices within the United States. I think there are areas in the United States where gas is supplied at prices which are still higher than our prices. I accept, also—

Mr. Speaker: Order, please. I ought to remind the hon. member at the outset that it was never the intention that this period would be used for commenting on a minister's statement. It is a period for questioning, and if the hon. member has a question he should put it to the minister.

Mr. McRae: Mr. Speaker, in view of the fact that this action is related to increasing supplies, is the minister giving serious consideration to reducing demand and eliminating the kind of advertising, and so on, that is being conducted by the gas companies, certainly in my area, which would have the effect of increasing the use of gas when there is a shortage of supply?

Mr. Macdonald (Rosedale): We do not, at the federal level, have direct jurisdiction over the retail marketing of natural gas. Our discussions with the provincial governments under the conservation program have dealt with the question of persuading provincial utilities to reduce, if possible, the demand for natural gas, including a change in the advertising message.

Mr. Gillies: Mr. Speaker, in arriving at the established prices the government did not accept in full the recommendation of the National Energy Board. Can we infer from that, that in the discussions on prices there was consultation with the producing provinces concerning what should be the domestic price in Canada?

Mr. Macdonald (Rosedale): Not directly, Mr. Speaker. The decision with regard to our phasing in of the export price was, of course, related to our concern that the impact be cushioned, so far as we felt was reasonably possible, on the export customer. There really is no conclusion that can be drawn at this point about the prospective level of domestic price increases. One thing can be said, however. In terms of revenue generated in the industry and in the provinces, we feel there is an element of compensation here which might provide them with a basis for expecting less than the export price increase from the domestic consumer.

Mr. Gillies: Mr. Speaker, my supplementary is on that point. Of the $583 million increased revenue per year to be generated by these sales, will the minister tell us what proportion will go to the federal government, what proportion will go to the provincial government, and what proportion will be left for the suppliers?

Mr. Macdonald (Rosedale): I must confess I have not done that detailed calculation, but I think the National Energy Board will be before the committee tomorrow. The hon. gentleman might like to put that question to the board, and perhaps he will get a more definitive estimate of the relative share.

* * *

[*Translation*]

BANKRUPTCY ACT, 1975

APPOINTMENT OF SUPERINTENDENT OF BANKING AND RELATED OFFICIALS—ESTABLISHMENT OF BANKRUPTCY TRUST ACCOUNT

Hon. André Ouellet (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-60, intituled "An Act respecting bankruptcy and insolvency".

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 335, 549, 1,216, 1,800, 1,828, 1,913, 1,999, 2,006, 2,015, 2,026, 2,027, 2,029, 2,134, 2,152, 2,194, 2,208, 2,214, 2,241, 2,280, 2,281, 2,282 and 2,302.

If questions No. 1,746 and 2,011 could be made orders for return, these returns would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

POST OFFICE DEPARTMENT—PERSONNEL

Question No. 335—**Mr. Herbert:**

On June 30, 1974, how many full-time temporary employees were working for the Post Office Department and how many of these had

been employed for a period exceeding (a) six months (b) twelve months?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): June 30, 1974, Full-time Temporary Employees: Approximately, 3,569; (a) Six months, 287; (b) Twelve months, 190.

NOTE: We are interpreting full-time temporary employees as being employees hired on a day by day basis, or for specific term who work a normal 7½ to 8 hour shift.

OLYMPIC COINS

Question No. 549—**Mr. Jelinek:**

1. How many (a) $5 (b) $10 Olympic coins are involved in each of the seven series?

2. What was the date the last coin was minted in the first series?

3. What was the date the first coin was minted in the second series?

4. Does the government propose a surcharge on any of the coins to be minted in any of the new series?

5. Does the government plan to introduce new packaging for coins in the new series and, if so, for what reason?

6. Does the government propose to reduce the silver content in the coins of future series and, if so, by how much?

7. Can the government estimate how much loss of revenue has been experienced to date due to the increased prices of silver in coins already minted?

8. (a) How many people in the Post Office Department (i) were employed in the coin programme before Parliamentary authorization (ii) are currently employed directly or indirectly in the Olympic coin programme (b) what are the salaries of these individuals (c) how much funding has been permitted for entertainment and expenses for these employees?

9. How many employees currently in the Minister's Department (a) presently earn in excess of $25,000 annually (b) earned in excess of $25,000 one year ago?

10. (a) What was the total value of coins sold as of October 1 (b) what was the total cost of producing coins sold as of October 1?

11. What payments were made to COJO as of October 1 from coin sales?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of the Postmaster General and Finance as follows: 1. The exact number of coins in each series has not been decided, but will be approximately one seventh of the total number of coins to be minted for the seven series. The actual number to be minted will be adjusted according to market demand.

2. Minting of Series 1 has not been terminated.

3. June 11, 1974.

4. There have been and will continue to be premiums on coins in each of the seven series.

5. There are no plans for new packaging at this time.

6. No.

7. The increase in the price of silver does not cause loss of revenue from coins already minted.

8. (a) (i) Several people in the Post Office Department were involved in advising the Postmaster General and the government prior to and during passage through parliament of the bill. The Olympic Coin Program was established and staffed after the passage of the Olympic (1976) Act. (ii) Indirectly, it may be said that the entire administrative resources of the Post Office Department are used as required by the program in the interests of economic and efficient administration. The Olympic Coin Program employs directly sixty-six persons. (b) Not applicable. (c) Not applicable.

9. (a) 112. (b) 105.

10. (a) and (b) This information was given in the second report to parliament which was tabled on December 2, 1974.

11. None.

NUMBER OF POLICEMEN KILLED, 1955-74 INCLUSIVE

Question No. 1,216—**Mr. Reynolds:**

How many policemen, including municipal, provincial and RCMP, were killed in each year 1955 to 1974 inclusive?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of the Solicitor General (Royal Canadian Mounted Police) and Statistics Canada as follows:

	Accidentally killed or murdered on duty	
Year	RCMP	Municipal and Provincial
1955	3	Information not available
1956	2	"
1957	1	"
1958	10	"
1959	1	"
1960	1	"
1961	2	2
1962	4	8
1963	5	None
1964	4	1
1965	1	1
1966	3	2
1967	3	2
1968	1	5
1969	2	5
1970	4	1
1971	4	2
1972	1	3
1973	None	5
1974	4	

ENVIRONMENT AND FISHERIES—NUMBER OF EMPLOYEES AND BUDGET

Question No. 1,800—**Mr. Reynolds:**

1. (a) How many employees are there in the Department of Fisheries in Canada (b) how many headquarters are there and in what provinces are they located (c) how many employees are there in each province working directly for the Department of Fisheries (d) by province, how many man years are worked?

2. By province, how many employees work directly for the Department of the Environment?

3. (a) For the years 1965 and 1970, how many employees were there in the Department of Fisheries in Canada (b) how many headquarters were there and in what provinces were they located (c) how many employees were there in each province working directly for the Department of Fisheries (d) by province, how many man years were worked?

Order Paper Questions

4. For the years 1965 and 1970 and by province, how many employees worked directly for the Department of the Environment?

5. (a) What is the budget of the Department of the Environment (b) what is the budget of the Department of Fisheries and is it part of the overall Department of the Environment budget?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. Fisheries activities fall under the Department of the Environment, therefore the information will relate to the Fisheries and Marine Service. (a) 3,752; (b) The National Headquarters are located in the National Capital Area, there are Regional Offices for the Fisheries and Marine Service in St. John's, Nfld.; Halifax, N.S.; Quebec, P.Q.; Burlington, Ont.; Winnipeg, Man.; Vancouver and Victoria, B.C.

(c) and (d):

As of January 31, 1975

Newfoundland	496	employees utilizing		41.34	man-years per month	
Prince Edward Island	49	"	"	4.08	"	"
Nova Scotia	1025	"	"	85.43	"	"
New Brunswick	236	"	"	19.67	"	"
Quebec	84	"	"	7.00	"	"
Ontario	673	"	"	56.09	"	"
Manitoba	218	"	"	18.17	"	"
Saskatchewan	8	"	"	0.67	"	"
Alberta	2	"	"	0.17	"	"
British Columbia	931	"	"	77.60	"	"
North West Territories	25	"	"	2.08	"	"
Yukon	5	"	"	0.42	"	"
Total	3752			312.72		

2. Including the Fisheries and Marine Service: Newfoundland, 680; Prince Edward Island, 53; Nova Scotia, 1,261; New Brunswick, 470; Quebec, 1,736; Ontario, 3,183; Manitoba, 525; Saskatchewan, 131; Alberta, 556; British Columbia, 1,648; North West Territories, 111; Yukon, 39; Total, 10,393.

3. (a) There was no Department of Fisheries in 1970 as it had become part of the Department of Fisheries and Forestry. The answers are: 1965: Department of Fisheries, 2,353*; 1970: Department of Fisheries and Forestry (Fisheries Service only, 2,458*.

*These figures include the staff of the Fisheries Research Board.

(b) The headquarters for both Departments for 1965 and 1970 were in the National Capital Area. There were Regional Offices as follows; 1965: Department of Fisheries: St. John's, Newfoundland; Halifax, Nova Scotia; Quebec, Province of Quebec; Winnipeg, Manitoba; Vancouver, British Columbia. 1970: Department of Fisheries and Forestry (Fisheries Service only), St. John's, Newfoundland; Halifax, Nova Scotia; Quebec, Province of Quebec; Winnipeg, Manitoba; Vancouver, British Columbia. (c) and (d) The department does not have this information.

4. The Department of the Environment only came into existence in 1971.

5. (a) $381,128,122. (b) The budget for the Fisheries and Marine Service is $194,758,445 and it is part of the budget of the Department of the Environment.

CNR HOTELS

Question No. 1,828—**Mr. Mazankowski:**

1. What was the profit for each of the CN hotels for the years 1973 and 1974?

2. What is the (a) net book value (b) rate of investment (c) constructed net book value of each such hotel?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows:

Hotel	1.	2.(a)	2.(b)	2.(c)	1.	2.(a)	2.(b)	2.(c)
	1974				1973			
	Profit before Interest on Investment $	Average Net Book Value $	Return on Constructed Investment at Annual Rate of per cent	Constructed Net Book Value $	Profit before Interest on Investment $	Average Net Book Value $	Return on Constructed Investment at Annual Rate of per cent	Constructed Net Book Value $
Hotel Bessborough	—	—	—	—	(161,897)	3,746,129	—	1,762,719
Hotel Beauséjour	(96,588)	1,239,435	—	1,239,435	(388,491)	1,135,006	—	1,135,006
Chateau Laurier	589,968	11,836,387	11.3	5,232,337	377,737	12,005,205	7.0	5,401,155
Hotel Fort Garry	(160,218)	5,489,410	—	2,747,060	(157,460)	5,602,967	—	2,860,617
Jasper Park Lodge	400,482	9,617,673	5.4	7,427,318	245,257	9,161,969	3.5	6,971,614
Hotel Macdonald	11,536	8,882,540	.2	6,418,373	(63,835)	8,856,249	—	6,392,082
Hotel Newfoundland	334,973	1,882,680	22.7	1,476,815	196,523	1,941,261	12.8	1,535,396
Hotel Nova Scotian	(277,120)	6,553,951	—	5,015,849	178,267	6,491,146	3.6	4,953,044
Hotel Vancouver	591,307	15,007,297	5.4	10,891,810	825,375	14,883,497	7.7	10,768,010
The Queen Elizabeth and P.V.M. Restaurants	2,981,370	20,960,911	14.2	20,960,911	2,943,275	21,416,112	13.7	21,416,112

ENERGY CONSERVATION ADVERTISEMENT

Question No. 1,913—**Mr. Cossitt:**

With reference to the full page advertisement appearing recently in various publications entitled "From 10:00 p.m. to 6:00 a.m. and on weekends, the lights are turned off in this government building" (a) in how many publications did this appear (b) what was the total cost involved (c) what was the name of the advertising agency and the total advertising agency commission (d) were tenders or competitive presentations called for from various advertising agencies, and (i) if so, from whom (ii) if not, for what reason?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: (a) The full page advertisement entitled "From 10:00 p.m. to 6:00 a.m. and on weekends, the lights are turned off in this government building" has appeared in 102 daily newspapers across Canada as well as the *Financial Times* and the *Financial Post.* (b) The total cost of the advertisement is $96,767.07. (c) Vickers and Benson Limited. Since the advertisement was prepared largely within the Department of Energy, Mines and Resources, it was not handled by an advertising agency in the usual manner. The agency will not get a commission but a fee based on work done and overhead. (d) No. (i) Not applicable. (ii) Proposals from competitive advertising agencies are assessed on the basis of which presentation exhibits a feel for content and creativity that will obtain maximum results. In this case, content and creativity was prepared largely within the department's Information Branch. Therefore, in normal advertising terms there was no basis for proposals and a Canadian agency considered well structured to handle placement of a national program was selected.

CROWN ASSETS DISPOSAL CORPORATION—TRANSFER MECHANISM

Question No. 1,999—**Mr. Reynolds:**

1. Would the Minister of Supply and Services explain the application of the transfer mechanism under the Surplus Crown Assets Act?

2. How are the various departments made aware of surpluses available?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1. On receipt of a request from a department to transfer surplus material between departments, such transfers, if in the opinion of the minister are justifiable, he may, with specific or general authority from the Governor-in-Council, reference Section 5(d) of the Surplus Crown Assets Act, approve the transfer of surplus crown assets from one government department to another subject to such terms and conditions as he may consider desirable.

2. Through Crown Assets Disposal Corporation, notifications of surplus assets are forwarded to departments who have registered with the corporation their interest in various classes and kinds of surplus material.

Order Paper Questions

SUPPLY AND SERVICES—WAREHOUSING

Question No. 2,006—**Mr. Reynolds:**

1. What is the average rate of stock turnover within the Department of Supply and Services' warehouses?

2. Is there a policy within the warehouses whereby stock is handled on a rotating basis, i.e. first in, last out basis?

3. What effort is made to standardize products used for the same nature and purpose?

4. What is the standard classification system in use?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. For fiscal year 1973-74 average rate of stock turnover was three.

2. Yes, our policy is first in-first out.

3. By specification and allotment of catalogue number.

4. The Canadian Government Catalogue System which is based on the NATO and US Federal Supply Classification Systems.

SUPPLY AND SERVICES—SURPLUS ASSETS

Question No. 2,015—**Mr. Reynolds:**

1. Does the Crown Assets Disposal Corporation directly receive funds for surplus assets purchased or transferred from one department to another?

2. Are such invoices charged to the relevant departmental appropriations to ensure that no department secures more resources than Parliament intended?

3. How is this done?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1. In the case of a purchase the corporation receives a cheque from the department. In the case of a transfer the minister may authorize the transfer without renumeration or at a financial settlement and in such case a cheque is received by the corporation.

2 and 3. All cheques from departments are made payable to Crown Assets Disposal Corporation, therefore, they would be charged back to their departmental appropriation.

CANADIAN FORCES BASE FOYMOUNT

Question No. 2,026—**Mr. Reynolds:**

1. Before CFB Foymount was offered for sale on the open market, were tenders requested from the Province of Ontario or the local municipality?

2. What was the response of the respective parties?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1. The Corporation, under its priority procedures, offered to the Province of Ontario and the County of Rendrew, the Canadian Forces Base Foymount.

2. These two government bodies indicated no interest in acquiring the Base and concurred in the Corporation offering it for competitive tender.

CFB FOYMOUNT—REFUSAL TO ALLOW ACCESS TO PERLEX INTERNATIONAL CHEMICALS LTD.

Question No. 2,027—**Mr. Reynolds:**

1. Did CADC officials refuse to allow access to the CFB Foymount facility by the Perlex International Chemicals Ltd. auditing team?

2. Was the refusal in keeping with CADC regulations?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1. At no time did any official of CADC refuse access of representatives of Perlex International to visit the Canadian Forces Base Foymount.

2. In accordance with the Corporation's invitation to bid, prospective bidders are requested and instructed to inspect all material offered for sale prior to submitting an official bid.

CFB FOYMOUNT—DIFFICULTIES EXPERIENCED BY COMPANY 260303 HOLDINGS LTD.

Question No. 2,029—**Mr. Reynolds:**

1. Prior to the sale of CFB Foymount, did the Company 260303 Holdings Ltd. experience any agreements of sale with CADC and, if so, what were such transactions?

2. Did the Company comply efficiently to former contracts awarded to the extent that there can be no complaint with their interaction with CADC?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1. Yes. The sale of Canadian Forces Base Clinton, Ontario.

2. Yes.

PROMOTION OF BILINGUALISM IN EDUCATION

Question No. 2,134—**Mr. Herbert:**

1. With reference to the answer to Question No. 957, was the amount contributed by the government for the promotion of bilingualism in education in the year 1973-74, a total of $39,149,854 in the Province of Quebec and $22,740,455 in the Province of Ontario?

2. What were the estimated totals for the years 1974-75 and 1975-76?

3. What amount was contributed by the government for the promotion of bilingualism in education in the year 1973-74 in (a) the Province of Quebec for those whose first language is English (b) the Province of Ontario for those whose first language is French?

Hon. James Hugh Faulkner (Secretary of State): 1. Québec: $39,486,575; Ontario: $22,240,455.

2. 1974-75: Québec: $49,726,242; Ontario: $26,639,073; 1975-76: Québec: $54,694,866; Ontario: $30,302,980.

3. (a) $589,191* (b) $621,497*

*These amounts relate to bursaries, fellowships and language training centres and apply to either official language as a second language.

CFDC—FINANCIAL ASSISTANCE FOR FILM "HOCKEY VS XOKKEN"

Question No. 2,152—**Mr. Herbert:**

Did the Canadian Film Development Corporation refuse financial assistance for the film of the 1974 Canada-Russia series "Hockey vs Xokken" and, if so, for what reason?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: No, but in 1973 it turned down a similar request from Arthur Harnett Enterprises Ltd., Communications Consultants, Toronto, on the grounds that the proposed film was not a feature film (i.e, having a running time of not less than 75 minutes intended for use in a motion picture theatre). The proposed changes in the CFDC's Act would permit such films to be financed.

TRANSPORT—PERSONNEL ATTACHED TO MINISTER'S OFFICE

Question No. 2,194—**Mr. Fortin:**

What are the (a) names (b) salary scales (c) responsibilities, of all persons who have acted as executive assistants, special assistants, personal secretaries, legal advisers or counsellors to the Minister of Transport, since the beginning of the 28th Parliament to date?

Hon. Jean Marchand (Minister of Transport): The answer is as follows:

Name	Title	Dates	Maximum Salary	Responsibilities
N. Bégin	Special Assistant	03/09/74 to date	$ 21,000	All duties pertinant to duties of a special assistant
L. M. Dion	Special Assistant	14/05/73–23/01/74	17,500	All duties pertinant to duties of a special assistant
L. M. Dion	Executive Assistant	24/01/74–31/03/74	20,000	All duties pertinant to duties of a executive assistant
		01/04/74 to date	25,000	
J. M. Fairchild	Special Assistant	09/05/73–31/03/74	17,500	All duties pertinant to duties of a special assistant
		01/04/74 to date	21,000	
A. Giroux	Special Assistant	27/11/72–31/03/74	17,500	All duties pertinant to duties of a special assistant
		01/04/74 to date	21,000	
M. I. Racette	Private Secretary	01/08/74 to date	14,500	All duties pertinant to duties of a private secretary
G. B. Black	Special Assistant	04/01/73–01/12/73	17,500	All duties pertinant to duties of a special assistant
F. Côté	Special Assistant	11/03/74–31/03/74	17,500	All duties pertinant to duties of a special assistant
		01/04/74–17/08/74	21,000	
M. A. Doyle	Special Assistant	15/02/73–01/06/74	17,500	All duties pertinant to duties of a special assistant
M. C. C. Carrière	Executive Assistant	27/11/72–31/03/73	20,000	All duties pertinant to duties of a executive assistant
J. M. Favreau	Executive Assistant	16/04/73–04/02/74	20,000	All duties pertinant to duties of a executive assistant

CHARLOTTETOWN AIRPORT

Question No. 2,208—**Mr. Macquarrie:**

1. Is it the intention of the government to enlarge the passenger terminal of the Charlottetown Airport and, if so (a) on what date (b) what are the dimensions of any such proposed enlargement and for how many passengers will such enlargement provide space?

2. In the past ten years how many temporary additions have been made to the Airport and at what cost and passenger capacity?

3. On what date is it intended to commence construction of a new terminal and new runways?

4. What steps have been taken to acquire property essential to an enlargement of the present Airport?

5. What is the difference in the aggregate of terminal space and passenger accommodation between the present date and the latest date antecedent to the introduction of jet aircraft service by Eastern Provincial Airways?

6. Does the Department of Transport envisage greater passenger terminal use consequent upon Air Canada's Charlottetown-Ottawa-Toronto service and, if so, how much and what steps are being taken to meet such anticipated demand?

7. What is the largest passenger aircraft which can now land safely at Charlottetown Airport?

8. Apart from improved passenger facilities in the terminal, what proposed improved navigational aids are contemplated for the Charlottetown Airport and on what date are such developments expected?

Hon. Jean Marchand (Minister of Transport): 1. It is the intention of the Ministry of Transport to provide interim renovations, within the next few months, to the existing terminal building in Charlottetown to facilitate Air Canada and EPA operations and provide additional public space equating to 75 more people. This relates to 528 square feet for baggage space, 1,024 square feet in public area and 465 square feet in washrooms.

2. In the past ten years there have been three extensions to the terminal building, in 1969, 1970, and 1973. The cost involved was approximately $224,000. About 6,000 square feet of additional space was provided.

3. It is hoped to commence design of a new terminal building and associated facilities in the summer of 1975; this being contingent on funds availability which have not yet been identified pending completion of detailed plans which are due shortly. The main runway will be recapped in 1976-77 and a new cross-wind runway is to be constructed in 1978-79.

4. A meeting has taken place April 15 between Regional Construction Branch and the Department of Public Works to initiate land acquisition proceedings for future development in Charlottetown.

5. The three extensions referred to in answer No. 2 were constructed to meet a greater demand for service in 1969. As a result of this demand terminal increased in size from approximately 2,200 square feet to approximately 8,200 square feet.

6. The initiation of Air Canada's Charlottetown-Ottawa-Toronto service will result in an increase in annual passengers. The redistribution of passengers throughout the day due to a revision in flight scheduling should actually reduce congestion at peak times.

7. DC-9 and B737 type aircraft can operate at Charlottetown with no constraints. B727 and DC-8 type aircraft can operate on the basis of relatively severe weight restrictions.

8. The existing navigational aids at Charlottetown meet all requirements for the design period. Associated with the airside development is a new air traffic control tower to be constructed in 1978-79.

CBC—HIRING OF CONSULTING FIRM

Question No. 2,214—**Mr. Mazankowski:**

1. Did CBC hire a USA consulting firm called McKinsey and Co. Inc. and, if so (a) for what reason (b) at what cost?

2. (a) For what reason did CBC turn to a US company (b) was there no capable Canadian company?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. CBC hired the consulting firm of McKinsey and Company, Inc., of Toronto. (a) To develop a blueprint for the CBC to improve the management of its human resources. (b) It has not been customary to require the CBC to divulge such details of its internal management and administration.

2. (a) and (b) CBC considers McKinsey and Company, Inc. to be the best qualified for the job.

GOVERNMENT SUPPORT TO NATIONAL BALLET SCHOOL, NATIONAL THEATRE SCHOOL AND CANADIAN MUSIC CENTRE

Question No. 2,241—**Mr. Reynolds:**

How much money was donated by the government during 1974 to the (a) National Ballet School (b) National Theatre School (c) Canadian Music Center and, in each case, what are the names of the officers and directors?

Hon. James Hugh Faulkner (Secretary of State): Although not an agent of Her Majesty, the Canada Council has provided the following information: The available figures are for the fiscal year 1974-75. (a) $330,000, of which $10,000 were awarded for the administration of the Council's Peter Dwyer scholarships. Chairman of the Board of Directors: Tom Abel; Director and Principal: Betty Oliphant; (b) $590,000, of which $10,000 were awarded for the administration of the Council's Peter Dwyer scholarships. President of the Board of Directors: André Galipeault; Director General: Donald MacSween; (c) $128,000; President: Keith Bissell; Executive secretary: Keith MacMillan (Toronto Office); Assistant executive secretary: Louise Laplante (Montreal Office).

PUBLIC SERVICE APPEAL BOARD—APPEALS 1974

Question No. 2,280—**Mr. Lachance:**

In 1974, were there appeals made to the Public Service Appeal Board concerning competitions and, if so (a) how many (b) what percentage of such appeals were (i) upheld (ii) rejected?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: In 1974—Total number of appeals concerning promotions, 4,072; Number upheld, 1,307, (32.1 per cent); Number rejected, 2,141, (52.6 per cent); Number withdrawn by appellant, 624, (15.3 per cent); Breakdown: Total number of appeals concerning competitions, 2,936; Number upheld, 854, (29.1 per cent); Number rejected, 1,638, (55.8 per cent); Number withdrawn, 444, (15.1 per cent); Total number of

appeals against appointments without competition 457; Number upheld, 272, (59.5 per cent); Number rejected, 136, (29.8 per cent); Number withdrawn, 49, (10.7 per cent); Total number of appeals against appointments resulting from inventory searches, 679; Number upheld, 181, (26.7 per cent); Number rejected, 367, (54 per cent); Number withdrawn, 131, (19.3 per cent).

APPEALS TO FEDERAL COURT CONCERNING PUBLIC SERVICE COMPETITIONS, 1974

Question No. 2,281—**Mr. Lachance:**

In 1974, were appeals made to the Federal Court concerning Public Service competitions and, if so (a) how many (b) how many were accepted?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: In 1974, 11 appeals were made. None were accepted.

APPEALS TO SUPREME COURT RELATING TO PUBLIC SERVICE COMPETITIONS, 1974

Question No. 2,282—**Mr. Lachance:**

In 1974, were appeals made to the Supreme Court of Canada where a point of law regarding a Public Service competition was concerned and, if so (a) how many (b) how many were accepted?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: In 1974, None.

TRADE DEVELOPMENT MISSION TO MOROCCO AND TUNISIA, APRIL 14-24, 1975—MEMBERSHIP LIST

Question No. 2,302—**Mr. Macquarrie:**

1. What are the names of the (a) government officials (b) businessmen comprising the trade mission to Morocco and Tunisia scheduled to leave Canada on April 14?

2. What are the names of the firms or organizations represented by such businessmen?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1 and 2. The names of the government officials and businessmen who formed the trade mission to Morocco and Tunisia are as follows: Government officials—Department of Industry, Trade and Commerce, Mr. C. T. Charland, Assistant Deputy Minister, Export Development, (Mission Leader); Mr. J. V. L. Lefebvre, Agriculture, Fisheries and Food Products Branch; Mr. J. Lang, Pacific, Asia and Africa Bureau, (Mission Secretary); Mr. A. N. Lever, Office of Export Programs and Services, (Mission Co-ordinator); Mrs. A. Barrett, (Support Staff); Export Development Corporation, Mr. J. Daigneault, Manager, Regional Finance, Africa and the Middle East, Ottawa, Ontario; Industry representatives, Mr. H. A. Fougère, Associate, Canadian Plant and Process Engineering Ltd., Port Hawkesbury, Nova Scotia; Mr. H. K. Matthews, Vice-President and General Manager, Business Development, Loram International Limited, Calgary, Alberta; Mr. J. G. Larocque, Co-ordinator, International Marketing, Canadian Industries Ltd., Montreal, P. Q.; Mr. T. G. Tait, Vice-President, Interimco Limited, Ottawa, Ontario; Mr. Jean A. Thierry, Vice-President, Tecsult International Limitée, Montreal, P. Q.; Mr. J. G. Blanchette, Stelco Technical Services Limitée, Hamilton, Ontario; Mr. Jacques Laflamme, Vice-President, Engineering, Elinca Communications Limitée, Ottawa, Ontario; Mr. E. E. McCullough, Director, Defence Sales, De Havilland Aircraft of Canada Ltd., Downsview, Ontario.

[Mr. Faulkner.]

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QUESTIONS PASSED AS ORDERS FOR RETURNS

COST OF GOVERNMENT LANGUAGE SCHOOL, HULL, QUEBEC

Question No. 1,746—**Mr. Cossitt:**

1. What has been the entire total cost of all aspects of the government language school in Hull, Quebec from its inception up to the latest month for which figures are available including (a) acquisition costs (b) maintenance costs (c) salaries?

2. (a) How many students have attended this school during this time to study (i) English (ii) French (b) what has been the average cost per student in attendance?

3. (a) How many students have successfully graduated in (i) English (ii) French (b) what is the percentage of failures?

4. What is the 1975-76 budget for this school including construction, renovation, maintenance, and salaries and how many students is it estimated will attend during this year?

Return tabled.

PROCUREMENT OF ITEMS USED BY DEPARTMENT OF NATIONAL DEFENCE

Question No. 2,011—**Mr. Reynolds:**

1. Are there any offices outside Canada that have the responsibility of procuring items to be used exclusively by the Department of National Defence?

2. What is their working relationship with the Department of Supply and Services?

3. What responsibilities do they have?

4. Where are such offices located?

Return tabled.

Mr. Paproski: Mr. Speaker, again I must bring to the attention of the House that my questions on CIDA, which have been on the order paper since February, were to be answered one or two at a time. What has the government to hide? Surely the government has a complete file on this matter. I should like to know what the criteria are in respect of some of these questions. There must be a reason for the government's not answering at least one or two questions a week.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed, from Friday, May 2, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, when the debate was adjourned last Friday I had indicated that I felt this particular bill, though styled a bill respecting western grain stabilization, is of a nature that is pertinent not only to the interests of western farmers but, indeed, to the country as a whole.

● (1530)

In the course of the speech which I started then and which I am now continuing, I indicated that the agricultural industry in this country is basic to the prosperity of the country, and that the good fortune or bad fortune, as the case may be, which affects one part of Canada—in this case we are discussing western Canada—has a direct bearing on the rest of the country.

I suggest that the prosperity of this industry has an effect not only in the internal sense but also on our position as a producer of food in the world. I do not think any Canadian, regardless of the part of the country she or he may come from, does not feel it is important to Canada that there be a strong, aggressive grain growing industry in which the participants have a reasonable expectation of reasonable return to them; and that those who enjoy the fruits of the labour of the grain farmer, whether they be consumers in the usual sense of the word or in the agricultural sense—namely, those who use the produce in other parts of the country—can be assured of a constant supply at a reasonable price.

But, more important than that, over the long term and as we look ahead to the place of our country globally, we have to consider that we have certain obligations with respect to the production of grain. These obligations in some cases are legal in nature in that they involve agreements and contractual arrangements with other nations, but as well we have a moral obligation to the world, as a producer of food, not only to maintain the productive machinery of farmers in this case in western Canada but generally across the whole of Canada.

We have a duty, as well, to maintain a viable operation and a functional and meaningful transportation system to enable those products to get to market and, as I have said, we have a duty to fulfil those moral obligations. I have mentioned, also—and I think it is worth mentioning again—that I am somewhat concerned that we tend to look at problems of this nature on a regional basis and to think that the only persons who should rise in this place and in other places to speak on, let us say, western grain stabilization should be western farmers or representatives of western farmers. I think the issue is much broader than that, and the House of Commons should not give impetus to any argument that deals with regionalization in Canada.

I think this bill is important to every one of us, whether we live in Ontario, in Quebec, in western Canada or in the Atlantic provinces. There are three basic questions that the western producer and the eastern consumer of the produce of the western farmer will ask about this bill. They will ask, first of all, what this bill means to each of them depending on their interests; how it will operate, and what will be its benefits to our country and particularly to the western producer. They will ask what its benefits will be to the eastern producer in terms of supply of grain at a reasonable cost, and what it will mean in terms of the ability of the western producer to meet the new limits that have been established under the farm credit legislation, which can put a tremendous burden of debt on the western farmer because those new limits on a per unit basis run to some $150,000.

These are important matters to be raised not just here in the House of Commons but across the country, and not just to be discussed with large farm organizations, important as they may be, but most of all to be discussed directly with and to be understood by the individual farmer, in this case the grain farmer, who will be the primary beneficiary of this legislation; also, indirectly others who use his produce and rely on it to produce on their own. I say this because the individual farmer, not necessarily the farm organization, is the person in the firing-line of agriculture in Canada today: it is to him that this bill should be directed, and it is toward him that any missionary work that is to be done with respect to the bill should be undertaken.

I do not know what has happened to agriculture in this country. It is now split, in terms of its jurisdiction. The Minister of Justice (Mr. Lang) is responsible for one aspect of agriculture, and the Minister of Agriculture (Mr. Whelan) is responsible for another aspect. If there is anything that indicates the difficulties that face Canadian farmers, it is this split jurisdiction. Another such indication of difficulty is the history of this bill as well as the debates and discussions that took place with respect to Bill C-50 and Bill C-19 before the committee of this House. I do not think the eastern grain producer has benefited much from the legislation that this House dealt with a little while ago, and unless there is a real explanation given to him with respect to this bill, its complexity and how it is to function—and it is a very complex bill—I am afraid that the same kind of thing will happen with respect to the western farmer.

So there is a very strong duty and a heavy onus on the Minister of Justice, who is responsible for the Wheat Board, not only to rise in the House or appear before the committee to explain the principles of this bill and its very complex formulas but also to do the missionary work that is necessary to explain the principles of the bill.

As I review the bill, I find that it reminds me very much of the Income Tax Act with which we dealt some time ago. Its very complex and difficult sections are drafted in language that even a lawyer would have some difficulty in understanding. Let me refer you, Madam Speaker, to

clause 6 of the bill. It deals with new procedures under the formula proposed. I would like you to listen, Madam Speaker, and ask yourself how anybody in the business of producing grain who is not at the same time a lawyer, an accountant or an economist, could possibly understand the bill as it is presently worded. Clause 6 reads as follows:

(1) Subject to subsections 5(6) and (7), every person who

(a) is eligible to participate under this Act,

(b) has not elected under subsection 5

(1) to cease to participate and is not deemed, pursuant to subsection 8(4), to have made an election under subsection 5(2), and

(c) becomes an actual producer after this Act comes into force, either for the first time or subsequent to a period in which he is not an actual producer,

becomes a full participant for the year in which he becomes an actual producer and continues to be a full participant until the end of the year in which he ceases to be an actual producer or ceases to be eligible.

● (1540)

There is nothing wrong with the Queen's English; it is a relatively intelligible language. Surely in the course of drafting this bill there could have been found a formula to make persons who would find themselves new, actual producers look at the statute and suddenly realize that they were new, actual producers. It is a complicated statute, and I have given one example. There is another example, if we turn to page 6 and look at clause 7, which deals with persons deemed to be participants—

The Acting Speaker (Mrs. Morin): Order, please. At this time hon. members are supposed to discuss the general principle of the bill and not particular clauses.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Thank you very much, Madam Speaker; Your Honour just anticipated the end of the discussion. Surely one of the fundamental principles of every piece of legislation—the western grain stabilization bill being included—is that it must be understood and comprehended by those involved. With the greatest respect to the minister, this bill is so difficult that its principle will be difficult for a grain farmer to understand, even one equipped as I have mentioned.

Mr. Goodale: Oh, oh!

Mr. Baker (Grenville-Carleton): I see the hon. member for Assiniboia (Mr. Goodale) sitting back there: if he wants to make a speech in the course of this debate, he can do so.

Mr. Goodale: I already have.

Mr. Baker (Grenville-Carleton): The hon. member will have another opportunity to make a speech very shortly and I look forward to hearing him. I only hope he will stand up so that we can see him.

This bill seems to reward good fortune on the one hand, and on the other hand it seems to penalize misfortune or bad luck which may occur because of conditions in the agricultural industry over which the farmer has no control. It does not seem to me that the proper way to approach the question of stabilization is to propound in a statute a formula or succession of formulas which reward good fortune. I hope that when this matter goes to committee there will be detailed examination of those principles set forth in the formula so that this kind of thing can be rooted out of the bill.

Another problem with respect to this bill is the matter of understanding and comprehension. It is vital when discussing a bill of such importance that we not merely discuss it here or merely discuss it in the usual way in the Standing Committee on Agriculture, but that the minister undertakes the missionary work which ought to be done, that the bill be taken out of this House and sent to committee, and that the committee hears witnesses, not just those who are able to come to Ottawa to be heard but that the committee takes this case to the people involved. I mentioned earlier that not just farm organizations should be heard, as important as they are, but the committee should go into areas where individual farmers at public meetings can engage in public discussion with respect to this bill.

The government ought to be given the opportunity to do this, and I think every member of the House would agree that the committee ought to travel, when it is established, and that the message ought to be explained. It may take some time, more than it usually takes to consider a bill of this nature, but public hearings and meetings where we meet individual producers in the marketplace are important. As I said at the outset, there are three questions which must be answered before this bill is approved in principle. There are three matters which must be discussed completely so that the government has the benefit of the input which can be had from people in the marketplace, so that those who are dependent upon the produce of the western grain farmer will be heard, including the eastern farmer who produces another kind of produce, to name only one group.

These questions are pretty clear. What does the bill mean to both groups in Canada? What does it mean to consumers? What does it mean in terms of our production as part of the bread basket of the world? How will this bill operate? How will the advisory committees be established? What are their functions? How will they reach the individual farmer? What machinery will be established and how will it be funded? What is the operational nature of the bill to be? Most important in the consideration of this bill, what will be the benefit to western Canadian agriculture? At what price will that benefit be sought? What benefit will the rest of Canada receive? What effect will the bill have on our position as a world producer of food? These are questions which must be answered, and I assume there is no member in this House, regardless of where he or she comes from, who does not want this matter examined fully.

On the foregoing basis, I move, seconded by the hon. member for Huron-Middlesex (Mr. McKinley):

That Bill C-41 be not now read a second time, but that the subject matter thereof be referred to the Standing Committee on Agriculture.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, my remarks will be addressed to the amendment and not to the bill itself. The hon. member for Grenville-Carleton (Mr. Baker) has put forward an amendment that deserves the serious consideration of all

members of the House because of the peculiar nature of the matter discussed in this bill.

● (1550)

This bill bears on the age-old dream of all farmers who know that they are in an occupation subject to many ups and downs. Some of those ups and downs are due to weather. Governments have tried to help farmers meet that type of up and down with crop insurance legislation. In the three provinces mainly affected by this bill, that is, the prairie provinces, I would assume that two-thirds of the farmers pay into the crop insurance program in order to try to protect themselves against the vagaries of weather. The farmer, therefore, has a good attitude toward paying for his own protection against variables in his income.

The minister responsible for the Wheat Board introduced Bill C-41 in order to try to carry this insurance principle a little further. This time it is insurance against the ups and downs of income. As he said in introducing the bill, sometimes farmer cannot meet the obligations contracted in the previous expenditure year because of lack of sales volume or a general lowering of world prices.

To return to the amendment, Madam Speaker, it asks this House not to decide now on the principles in this bill but to refer the subject matter to the Standing Committee on Agriculture. I think members of that committee, both from the government and the opposition, who have already spoken are in agreement that before we make up our minds on those principles as well as the subject of the matter of the bill, we want to hear from the farmers. It could rightfully be said, as the minister has already said, that the bill has been delayed month after month so he could consult the farmers. I will take his word for it—that he has consulted the farm organizations. I have seen the farm organizations' briefs and it is clear that they are just as dubious about this legislation as I am and as are many members who have spoken on the bill. There is, therefore, a good argument that on the basis of understanding the gobbledygook in this legislation it would be well to go back to the farmers to see if they understand it and want it.

Like many hon. members from the west, I have been discussing this legislation with farmers. They know that for many years I have advocated that in addition to insurance against crop damage from weather we should have some form of income stabilization. In Bill C-41, the minister has repeated the same colossal error that he committed in the infamous LIFT program—Lower Inventory For Tomorrow. He consulted every farm organization on that bill, and every farm organization of substance on the prairies—farm unions, wheat pools, the Federation of Agriculture—recommended to him in writing that he should go forward with it. Evidence of this can be found in *Hansard* of that time. The member who represented Swift Current-Maple Creek from 1968 to 1972 asked the minister, in the House, who recommended the program and at that time the minister put on record the names of all who had written.

These farm organizations recommended, in effect that the farmer be paid money out of the national treasury for re-summerfallowing and not producing wheat or going in for grass. The minister announced the policy on February 14, 1970, and embarked upon a series of meetings throughout western Canada. He told farmers that the government wanted them to get out of wheat production because there was no market for it.

I followed the minister around in those days. I was not a member of parliament at the time. I told farmers not to listen to that nitwit: that is a kindly word used in western Canada to describe a person who knows a great deal but who really knows nothing about this subject, Madam Speaker. I told them that there was no surplus, had not been a surplus and would not be a surplus. At farm meetings, with 500 or 600 people present, I asked how many wanted the LIFT program, and at every meeting over 90 per cent indicated that they did not want it.

Farmers either had to accept the LIFT program or lose their right to sell grain so I asked how many were going into it because they had to. Eighty-five per cent of the people I surveyed indicated that they had to do what the government told them in order to get their $6 an acre to re-summer fallow. This LIFT program turned out to be the most colossal mistake ever made by a government in the history of agriculture in Canada.

Those of us who knew the world situation, who knew the increasing demands for food around the world, who knew the complete error of the statistics provided by Statistics Canada and the statistics supplied to the United States government, knew that the Statistics were wrong. But the minister of the day, the same man who holds the portfolio at present, and the government of the day, the same government that sits there now, accepted the erroneous figures because they came from a computer using a formula. Farmers were taken out of production by force even though news was coming in from all over the world that people needed our grain. The LIFT program was an immoral act, Madam Speaker, and I warn the government not to repeat that mistake.

When you consult farmers, you talk to them and not to farm organizations. They can funnel the advice up from the farmers, of course, but the only way that members of parliament can be absolutely sure of the facts is to come face to face with the grain farmers of Weyburn, the grain farmers of Alberta, the grain farmers of Brandon and ask whether they like the program. I should like to see the Standing Committee on Agriculture go into the cattle feeding areas, into my constituency, northwestern Saskatchewan, to talk to the men who feed the grain to cattle, to see what they think about being cut out of this bill. I do not want to see repeated the infamous error that was made in the 1970 LIFT program.

I do not know what it will take to convince the government that we are trying to arrive at a conclusion to benefit farmers in all parts of the country. The LIFT program is a classic example of how ignorant of farm matters the government has been in the last 25 years. This government must know that. Now, that does not mean that this was the only time that parliament was ignorant. In this House, in 1932, when the crop was failing and the price was low, this parliament was moved to compassion. The prime minister of the day, Mr. Bennett, was so impressed with the tales of the wind and the drought that he asked parliament in all conscience to vote five cents a bushel subsidy

to all the wheat producers in western Canada. Members of all parties supported that because they thought it was the Christian thing to do.

● (1600)

The price of wheat was about 34 cents on world markets and about 20 cents on the farm. This was to be a 20 per cent subsidy to the grain farmers of the west. Well, any farmer could tell you that if there was a drought and he got nothing, five cents times nothing is still nothing. The then prime minister had to stand in his place and say to the House, "I'm sorry; I made a terrible blunder." I guess it is a case of the truth of the Old Testament again: To him that hath shall be given, and to him that hath not shall be taken away. To make this truth evident, there were a few farmers in the northern area where the rains had come; they got a good deal.

On the basis of past mistakes in this House where, with the very best intentions, governments have boobed and boobed colossally, as was the case with the LIFT program in spite of all the warnings, I hope we will not again make that mistake. I hope we can achieve what everyone wants by putting this subject matter before the committee and letting those of us on the committee hear first-hand from as many areas in the west that the committee can handle. We want to hear directly from the producers what they think of the principles of this bill.

When we go back to the main motion I shall be prepared to make a speech on principles. I have had this subject in mind for 35 years. I have tried at various times to figure out ways of doing it, and I am prepared to put those views forward. However, I want to continue the discussion on the amendment. I think the first point is clear: let us consult the farmers on the principle and not make the mistake of the LIFT program or the Bennett mistake of 1932.

The second point is, I want to hear from the farmers on the question of the principle that is in this stabilization bill and was in the stabilization bill of 1970. What horrified me about the minister's first effort to bring stabilization of income was that under his 1970 bill the farmers put in their money. There was a form of getting it out by formula. However, the minister made it brutally clear that you could only get your money out if you did what you were told to do. In essence, under a separate bill it said that under his supply management theories, the civil servants here in Ottawa would take over the guidance of the agricultural industry in all parts of Canada, whether the farmers were growing flowers or wheat, raising cattle or chickens—

Mr. Lang: That's nonsense.

Mr. Hamilton (Qu'Appelle-Moose Mountain): —and put them into a bill which would give power to direct. In a separate or connected bill, the stabilization bill of 1970, the minister who sits in his place now made it very clear that the money would be paid to those farmers who made the right decision.

Mr. Lang: That is nonsense, and you know it.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Mr. Hamilton (Qu'Appelle-Moose Mountain): Those were the words of the minister in charge of the Wheat Board. He was prepared to back up with muscle the doctrine that a group of civil servants in Ottawa knew better than the farmers what to breed and how much to grow. He was prepared to back that direction and power in the Agricultural Products Marketing Act with a stabilization act which said: You do not get your own money back unless you do what you are told under the national marketing act.

Mr. Lang: That's nonsense.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I hear the minister mumbling, "That's nonsense". I am putting on the record what the minister put on the record when that bill was before us in 1970—and the farmers know it.

Mr. Lang: Give me the reference.

Mr. Hamilton (Qu'Appelle-Moose Mountain): You will get the reference. I can quote the minister's statements. I am simply saying that if I am on the committee, I want to ask the farmers where they stand on this question of being directed and on this bill that is supposed to stabilize their incomes if it is used as a force to direct their farming activities. That is the type of question on principle that I want to ask. The next point I want to raise—

Mr. Lang: Madam Speaker, may I ask the hon. member a question?

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I am prepared to accept a question.

Mr. Lang: Madam Speaker, I wonder if the hon. member, who has been worrying about this subject for 35 years but did not do anything about it when he had the chance, can point to anywhere in this bill or the predecessor bill which says that farmers have to plant anything other than what they want to plant. I ask him to point to any clause in either of these bills.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, I am prepared to provide the minister with his own statement in which he stated that under the stabilization bill of 1970, the farmers would get if they made the right decision—

Mr. Lang: The right marketing decision.

Mr. Hamilton (Qu'Appelle-Moose Mountain): All right; I am prepared to accept that. I am simply saying, on this question of the stabilization bill, that I want to ask the farmers whether they will accept this concept of government direction. If this discretion is given to this minister, are they willing to accept it? I want to hear the farmers tell me face to face whether they will accept the minister's judgment and discretion, in view of his past record.

The next point I want to raise in support of the amendment is one that was raised by several members on the bill itself. I refer to the question of bureaucracy. We have had a long, harrowing experience in western Canada through the actions of several agencies of the government, one of which we have recently debated in the House, the PFAA,

where a government bureaucracy was set up and utilized as an arm of the political party that governed this country. We tried to clean that up in the years 1957 to 1963. I have said in this House that I think it stayed cleaned up until recently. Last year we got evidence of monkey-shining going on in connection with the grass and summer fallow program under LIFT where they utilized the machinery of PFAA. That evidence was turned over the Auditor General's department and was eventually sent over to the fraud squad of the RCMP. It is now under investigation.

This bill proposes another bureaucratic group collecting all the information from the Canadian Wheat Board about the farmer's production and inventory. This means inspecting the farm. I wonder what the farmer's reaction will be to this? Accepting the fact that all parties want some stabilization of incomes, when it comes down to the nitty-gritty it means keeping records of grain produced and in storage for inspection by a new bureaucracy. The farmer recognizes that because he is buying insurance, his inventory is subject to inspection. But surely once is enough. I should like to hear farmers tell me face to face what they think about having their granaries inspected first by officials of the provincial government and then again by officials of the federal government.

● (1610)

Mr. Lang: There won't be any.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The minister is now aware of the type of question farmers will be asking him and his people in the committee.

Mr. Lang: The farmers will presumably understand the bill better than you do.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I hope they do, because I certainly do not understand it. Only a lawyer could understand that claptrap.

Mr. Lang: I will send a summarized version across to you.

Mr. Hamilton (Qu'Appelle-Moose Mountain): If that is the argument the minister proposes to use, quick action will have to be taken by the Prime Minister (Mr. Trudeau). I know I have touched a tender spot with these pertinent points. I turn, now, to the heart of the matter. I remind the minister that the farmers are called upon to put their own money into this scheme for the maintenance of farm income; and this being so, they are entitled to feel confident that the arrangements will be handled in accordance with a formula, and not by politicians.

It took years for farmers to accept the sound principle of crop insurance, but eventually they did so because they knew it was administered in accordance with a formula. I doubt, today, whether the farmers of western Canada have the required confidence in the minister in charge of the Wheat Board. They remember the LIFT program; they remember that he used the full power of his many words and his convoluted way of explaining things to tell the farmers they had to go out of production. A large percentage of them did so; they lost their shirts and their incomes because of the advice he gave them.

They remember that before the election of 1974 he told them he was considering a whole series of proposals in connection with the handling of feed grain, one of which involved putting grain under the Grain Exchange. The farm people of western Canada said, "The minister in charge of the Wheat Board says he is going to put grain under the Grain Exchange." The minister said, "Oh, no; we are just looking at the matter and considering the alternatives which are open." Then a month after election day on July 8, we got it. If you put this proposal to a referendum across the prairies, you would get the support of more than 80 per cent of the farmers against the minister's action on that occasion.

An hon. Member: That's not bad.

Mr. Hamilton (Qu'Appelle-Moose Mountain): However, not content with getting the farm economy into this—

An hon. Member: Did you say 80 per cent?

Mr. Hamilton (Qu'Appelle-Moose Mountain): I meant 80 per cent of the farmers would not agree to the program of putting grain under the Grain Exchange. At the present time, it is under the Wheat Board.

An hon. Member: Still not bad.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I do not believe the farmers have confidence in the minister in charge of the Wheat Board. They remember the LIFT program; they recall the business of feed grain. Then, out of the blue, a year ago the minister began talking out loud and saying the Crowsnest pass rates should be reconsidered and that something should be given to the farmers in lieu of those low rates. This was spread all over the prairies. Suddenly the prairie fires started to burn, and two weeks ago the Prime Minister had to repudiate the minister in charge of the Wheat Board; he sent a long telegram to the Premier of Saskatchewan saying the hon. gentleman did not speak for the government when he suggested the Crowsnest pass rates should be re-examined; he was only expressing a personal view. If the minister wants me to substantiate that statement, I can do so. So approximately two weeks ago the Prime Minister of Canada said the minister in charge of the Wheat Board did not speak for the government; that he was expressing just his personal murmurings.

Mr. Lang: He quoted me as saying that.

Mr. Hamilton (Qu'Appelle-Moose Mountain): He repudiated the minister in charge of the Wheat Board. The minister is very good at going around and around the mulberry bush, but it proves my point: the people of the west have no confidence in his honesty.

Mr. Dionne (Northumberland-Miramichi): On a point of order, Madam Speaker, it seems to me the hon. member's remarks are more concerned with the bill than with the amendment. I wonder if he will explain how his remarks refer to the amendment.

The Acting Speaker (Mrs. Morin): The hon. member did mention when he was speaking on the bill and when he was speaking on the amendment.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I believe I have made my point. The subject matter of the bill should be referred to the committee, where a timetable can be set out enabling us to meet the farmers and have lots of opportunity to ask them what they think of these various matters—both the principle of the bill and the terms of the bill itself. The minister appears to have no doubt he can convince them that these provisions are clear and understandable. For my part, I do not think the minister is the right person to carry this bill to the farmers.

Those of us who would like to see the principle of stabilization of income put into effect realize that the confidence of farmers is needed before they are willing to put their money into any fund. We all know that the farmer is to put in 2 per cent, and that the government is to put in 4 per cent up to a certain maximum sum. But anyone who understands monetary and fiscal events of this country also knows that the government gets its money back, due to the multiplier effect.

So here is the farmer putting his money in. He does not wish to be overridden by a vast bureaucracy. If we read the speeches made during the course of this debate by members representing farm areas, one theme comes through clearly: they wonder why the bill was not brought in by the Minister of Agriculture (Mr. Whelan). After all, the Minister of Agriculture has been saying in a series of speeches over the past year or so that agriculture cannot be broken down; that it must be looked upon as a package. Here in the House is a minister whose primary portfolio has nothing to do with agriculture: he only holds the appointment as minister in charge of the Wheat Board because he comes from the west; westerners would be concerned if the board went out of the hands of a western minister. Here is a minister who is not content with reporting what the Wheat Board has done or omitted to do: he monkeys around with transportation due to the vacuum in the Department of Transportation at the present time; he monkeys around with all things concerning agriculture, such as the incomes of farmers, which are properly a matter for the Department of Agriculture. I would think he should support the suggestion coming from this side of the House that the bill be transferred to the Minister of Agriculture and his department, where it should have been in the first place.

● (1620)

Secondly, by transferring it to the Department of Agriculture we will take away that nagging suspicion that old-time farmers in the west have that the Liberal Party is going back to its old habit of attacking the Canadian Wheat Board. Those of us who know the long history of the Canadian Wheat Board remember the Wheat Board was set up in 1934 and 1935 and was attacked on a broad front between then and 1939. During that time four bills were introduced into this House designed to get rid of the Canadian Wheat Board. What saved the west from the governments' getting rid of the Wheat Board was the war. The government realized it was a device to control prices.

[Mr. Dionne (Northumberland-Miramichi).]

Since the war we have had this whole varied record of the minister interfering with the Wheat Board. Mention has been made of the barley case, the LIFT program, and selling wheat below the cost of production, something that has been mentioned on several occasions previously in the House. Thus, there is this old suspicion in western Canada that you cannot trust the Liberals when it comes to the Canadian Wheat Board. If we could get the Wheat Board to look after the job it is supposed to do, which is to sell grain, instead of trying to run farming operations, as it tried to do partially under the LIFT program and as it is trying to do partially under this program, then the farmers would be a lot happier.

The final reason I would advance for arguing that this bill should go to committee before we decide on the principle is this. One of the major principles in the bill is that it is dealing with an industry. If the incomes of those in this industry in western Canada—the three prairies provinces, parts of B.C. and Ontario—drop, then under the formula those who participate in this plan will receive payment. We have had nearly 35 years experience of large-scale programs. The one example that is most strongly in our minds is PFAA. Under that program there had to be a crop failure in a big area before any farmer was compensated. In an area where some people had good crops but others had crop failures, the latter did not get any money because they were not in an area big enough to get paid. So every so often we had to reform these PFAA areas, or blocks as they called them, and set up smaller blocks. This gave great political power to those who made the decisions to do this. Thus, the farmers are very leery of any kind of government program which, firstly, tries to help improve their income and, secondly, tries to fiddle around by placing them within regional blocks.

Therefore, I ask the farmers these fundamental questions. Would they prefer to have this wide Canadian Wheat Board area as a basis for income adjustment? Would they prefer to have regions or blocks? Or thirdly, would they prefer some basis of individualims whereby they simply pay for individual protection and, based on their own success or failure, they receive payment if their income goes down? This is similar to insuring against loss due to weather, for example, under the crop insurance scheme. You could buy insurance to insure yourself against a drop in income. I suggest that these questions should not be decided by the House but should preferably be decided by the farmers who have to put up the money.

For the reasons I have given, I think the farmers should be asked these questions directly. At this stage I cannot accept the view of the minister. Neither can I accept the briefs of farm groups. I can sense their uncertainty and I am uncertain myself. Before we decide on questions like compulsion or voluntary entry, whole blocks or the individual approach, the question of the bureaucracy involved and the confidence that the farmers have in this minister and Minister of Agriculture, we should let the farmers decide.

I should like to see the bill sent to committee, not only on the question of its principle but on the question of its subject matter. Then we will be able to find out from the farmers who will be putting up money to make the scheme work. We should not ask this House to decide something

that affects somebody else's business if we have the machinery, as we have, to determine their point of view.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, I am very happy to participate in the debate on Bill C-41 and the amendment thereto. As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and others have said, this is a very important bill. It is an attempt to find out in which way the industry should go. This is an industry that is very heavily controlled by government, almost from the seeding stage of the crop until the final product is on the high seas, and this is one further government control that is going to be exercised by government which often has different views from the producers. Therefore, I think the bill should be studied very carefully so that its effect can be determined.

In recent years, as a result of technological advances we have been able to change our lifestyle, but this rather mundane problem of growing grain to feed the world's population has not been put into its proper perspective. Recent events have shown that a substantial proportion of the world's population was fairly close to starvation. While the immediacy of this situation has passed, it is almost certain that widespread famine in the world will occur.

Growing wheat or producing food is not an occupation that one might call job-satisfying or "doing your own thing". There seems to be a steady drift off the land, with manpower being replaced by large tractors, at least in the grain industry. At a time of very high unemployment in many parts of the economy, it is virtually impossible to hire competent agricultural workers in anything like adequate numbers. Although there has been an increase in the price of food products at the farm level, this is still not enough to maintain the present base of agricultural workers. Furthermore, there has been a steady feeling arising in the world that Canada, because of our large export possibilities in terms of grain, should somehow become a sort of international food factory that will dole out food to all of the world's needy, keeping them from starvation. Even the Minister of Agriculture (Mr. Whelan) is quoted as saying the following:

> Grain producers have the whole world in their hands. It is the moral responsibility of every country in the world to grow more grain. Not very many countries are as able as Canada to accept this challenge. So I want to see our producers plant more acres of each grain crop. This is urgent.

If that is what the Minister of Agriculture has in mind, the government has not really pointed the way. It may well be that this bill should be in the hands of the Minister of Agriculture rather than those of the minister responsible for the Wheat Board. There have been repeated demands that Canadian external food programs be increased substantially. It is interesting to note that most of the people who talk so grandly about feeding the world's hungry are themselves not connected with the agricultural industry. They assume that by merely turning a screw or two, western Canada will suddenly be able to produce large amounts of grain to feed the world. They are not being very realistic, because our capacity to produce greater quantities of grain seems to be strictly limited.

● (1630)

We in this country take great pains to complain about the export and using up of our non-renewable resources, and grandly assume that agricultural products represent a perennial renewable resource, always available when required. We have heard in western Canada and in other agricultural areas of the country the suggestion that we are exporting much of our agricultural fertility, particularly in the form of nitrogen. This nitrogen is being exported in the form of fertilizer to produce food. The natural alternative to fertilizer is in effect crop rotation, but this will also reduce the ability to produce grain for export.

This bill is presumably designed to fill out the hills and the valleys in respect of the quantity and the price of grain for export. Much has been written about Canadian agriculture, but in fact the grain industry is the only part of our agricultura industry that has significant export earnings. This industry is carried on far inland and is subject to the actions of many small groups who are involved in the transportation and handling of the grain from the farm to its destination across the ocean. Without grain, Canada would not have been much of a nation for the first part of this century, and it seems significant that grain provides the largest earnings of any industry in our export markets beyond the North American continent. This bill is significant if it will help to increase these exports.

Increasingly it seems to me that the western grain industry and the prairies are a part of the continental area of North America, and what happens in the United States is of much more concern to us than most Canadian nationalists would like us to believe. In fact, United States agriculturalists, along with Mr. Butz' programs, are advocating the removal of government restrictions that would prevent the free movement of agricultural products. In this bill we are erecting an additional form of government intervention in respect of the agricultural industry.

Then there are those who suggest that food can be used like oil as a means of bringing law and order into the world. I suggest that this is not possible. We are seeing the effects of this. When the price of oil rises too high, the world economy merely contracts. Similarly, in respect of food there will always be fluctuations in respect of production in the world. I think it is a truism to suggest that the world can only feed the population it has in its worst crop year. As the fluctuations in food production are substantial, this will act eventually as a brake on world population. It seems to me that for most of the time now and in the future, food production will be generally in a surplus position. This bill will presumably act as some sort of stabilizing force.

The grain industry in western Canada must guard against being used as a means of give-aways to support some sort of Canadian nationalism. The appointment of the new Deputy Minister of Agriculture with a strong connection to CIDA would seem to imply that Canadian grain may be used as a means of furthering our aims. Should we move in that direction to any great degree, it will almost certainly be detrimental to the farmers of western Canada who will grow most of the food that will be used for food aid programs. There will be a tendency to

give food at the least possible cost to the national treasury should various groups feel that we should be altruistic, giving away large quantities of food. At the same time, the taxpayer will try to prevent that tremendous give-away of the taxpayers' money.

With the Canadian Wheat Board able to handle wheat and barley and exercise control in respect of flax and rapeseed, it is unfortunate, but true, that government agencies will be able to conceal how much grain is sold by government agencies and at what price. Indeed, the Wheat Board has to a large extent lost the ability of knowing to whom, and at what price, the product is being sold around the world. Perhaps the circumstances surrounding the recent plebiscite respecting the advisory group to the Wheat Board will have some benefit is this area.

This bill in itself does nothing to solve the main problems facing the grain industry today. It will not in any way help the grain transportation system or the grain handling system. We have witnessed in our transportation system, since the last election, the great vulnerability in respect of the grain industry to work stoppages by a relatively few people involved in small unions and key transportation positions in the movement of grain. It would be nice to think that the movement of grain will continue without interruption after the rash of strikes we have experienced.

Parliament has put the grain handlers in Vancouver back to work and has legislated in respect of the longshoremen's strike. The problems in Vancouver could have been foreseen and handled in a better and easier way. Even at the present time the longshoremen in Montreal are not returning to work, and the export movement of western grain, while not being stopped completely is being slowed down substantially. At the moment there are only three or four berths available for ships at the St. Lawrence ports which are working, while eight or ten berths in Montreal are standing vacant, resulting in ten or twelve ships waiting in the Gulf. Almost certainly, the port of Montreal will gradually lose its ability to export grain and in time other avenues must be opened for that export segment of our Canadian grain industry. This bill in itself will not help the situation and in fact will probably hinder it. The obvious answer is to open other channels for export, perhaps through Portland, Oregon, or perhaps by expansion of the facilities at Churchill. Only by extending the avenues of export as widely as possible can the western producer of grain be assured of alternative export channels.

Turning again to transportation problems, this bill does nothing about branch line abandonment, and there is a great debate taking place in this regard. I might say that the minister in charge of the Wheat Board has the whole rural country upset because of an assumption that half the railway lines are to be phased out next year. I think this has caused unnecessary consternation on the part of many people in the prairies. There is a possibility that many branch lines on the prairies will be phased out. This will result in the necessity of trucking more grain over longer distances. Experience on the great plains of the United States would seem to indicate that the economical trucking of grain for much longer distances than we have been used to is both practical and feasible.

[Mr. Ritchie.]

This bill will be administered to a large extent by the Wheat Board. The Wheat Board has the records of the individual farmers, and it is on this basis that presumably payment will be made. By and large, the Wheat Board has been a faithful servant of the producers, even though at times it has been heavily influenced by political decisions of the government. In my opinion, the Wheat Board has been giving false clues as to the grain outlook for the coming year. While the price of wheat at Chicago hovered around the $3.50 mark, the Wheat Board consistently held the price at $5 from January to April. Presumably, the Chicago price reflects the thinking of traders as to what the price should be, and while this may not be necessarily right it seems to be a good barometer.

● (1640)

While the Wheat Board held the price at $5 there was protest that as grain stocks around the world were low, the price of wheat should be higher. Only the other day was the price dropped by 54 cents to $4.46 by the Wheat Board so that we might compete with the United States in respect of the sale of wheat to Japan. The price of wheat quoted by the Wheat Board has great influence on the plans of farmers for the coming year. No doubt the Wheat Board was not able to offer much grain between January and April, so they left the rate high in order to discourage anyone from asking for a quotation. I believe such actions of the Wheat Board are a disservice to the farmer who attempts to plan his production for the coming year.

Turning to the bill and the manner in which it will help the grain industry, there are many unanswered questions. It seems desirable that there should be some form of support for the grain industry, but the manner in which this should be applied brings out the great complexity of such a program. This bill is no exception. The complexity, essentially, is caused by the nature and structure of the industry. There are approximately 175,000 permit holders and we would hope that number would remain the same or increase. An enormous number of individuals are involved. Some of these are large operators who have up to thousands or acres, while many others are much smaller.

Again, the situation is complicated by the fact that the five principal grains involved are grown in different quantities in different regions of the prairies. For instance, in my riding of Dauphin, flax and rapeseed would make up a substantial portion of the individual sales of farmers, much more relatively than would be the case in southern Saskatchewan. The mechanism that would trigger off the payment to producers is to be almost wholly dependent on production and sale of wheat. If the wheat crop should be poor or the sales low, then a pay-out would be made. I believe to a large extent the bill will be most beneficial to the wheat farmers of the prairies, the largest proportion of whom are in Saskatchewan.

The failure of the bill to provide for a regional pay-out seems to be a very great weakness. Without having a regional feature, the bill will not very effectively serve the needs of the province of Manitoba. An analysis of the amounts of money involved would show that the bill will not be very expensive so far as the federal treasury is concerned. Inflation will almost certainly continue, so the pay-out will always remain less onerous than it would be had the calculations been made in constant dollars.

In most years there will be no pay-out, so the 2 per cent collected from the producers will go to the bank to be used by the government in financing its spending. The federal government will not have to put any money in the bank; it will merely deposit IOUs. Even in the years of pay-out, the government will still be collecting its 2 per cent. I doubt, unless there should be a very severe depression in the industry even worse than in 1968-69, that there will be any call on the federal treasury. Indeed, I am quite sure the federal government will not have to put any money at all into the fund. Again, when pay-outs are made they will be made on a blanket basis. If a crop failure should trigger the pay-out at a time when farmers who sell, for instance, rapeseed or flax are able to sell at good prices when wheat prices are reduced, the government will recover much of the pay-out in income tax and in fact the pay-out will largely be a bookkeeping item.

It seems to me that the legislation makes no allowance for regional pay-outs, and because of the variables in respect of production and sale of the five main grains and oilseeds involved there will be limited ability to help the whole industry. The whole grain industry is now being sheltered so much by governments and government bodies that it is in danger of losing its perspective. I think it is significant that the attempt to place rapeseed and flax under the Wheat Board was defeated by the growers. Individual farmers are largely being placed in a position where the only decision open to them is the number of acres of various crops they will seed. The sales the Wheat Board makes and the prices it sets, when they are made public, are so general that the producer is not able to gain any perspective in respect of the market situation.

The necessity to have quotas is also a deterrent to efficient maximization with regard to the production of grain. There does not seem to be any way around the quota situation. I do not see how the bill is helpful along these lines. One provision in the bill I would strongly support is that which provides that the individual producer should have a voluntary choice. I think a substantial number of producers will find that they wish to operate outside this support program. If some producers should choose to operate outside this support program, they certainly should have that opportunity. I also believe that some farmers who are new entrants to the industry will perhaps not wish to participate.

It is obvious that no support program is superior to good management. This bill is so complex that highly competent people in some cases have difficulty understanding the effect the bill might have. It seems likely that no one can reasonably forecast how the bill will function, when put into operation, with regard to many of its aspects. Having this in mind, I believe the bill deserves very careful study in committee both in respect of its possible ramifications and in order to ascertain whether or not it can be improved.

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I should like to recite some of the reasons I feel that prior to proceeding with this bill in the normal fashion, the grain farmers of western Canada who are specifically involved in the bill should be provided with an opportunity to receive answers to obvious questions. I have a list of at least 21 questions I should like to raise in the course of my remarks, to—I hope—illustrate the need for the committee to travel, and to illustrate that until now many questions have not been answered by the minister, regardless of the time that has elapsed, and to illustrate that even though the bill has been reintroduced in a revised form there perhaps is still room for improvement.

● (1650)

I think that when the minister reflects upon what happened with regard to the previous bill he will realize that the farmers are not gullible. When he offered them $100 million in exchange for a release from obligations under the provisions of the Temporary Wheat Reserves Act. They turned that offer down. Farmers cannot be bought with a bribe of that sort, and they are capable of understanding and of providing suggestions for improvement that even the minister will agree are beneficial. The first and foremost reason the committee must travel is that farmers in western Canada do not trust the Minister of Justice (Mr. Lang). They know of his involvement in other areas that affect their lives, and they are always leery, no matter how good an idea might be, that at the back of it there might be something about which they have not been told.

The Minister of Justice, as everyone would agree, works hard and is involved in every aspect of agriculture that might affect the western farmer. Yet one wonders why he has that reputation. It is not because of the type of speech that I or other hon. members usually make, nor is it because of the comments that radio commentators usually make; but it is said that after the minister is through with western farmers, they stand to lose at every turn. When the original western stabilization bill was first proposed, the offer of $100 million, which at that moment seemed to be an exciting offer, was turned down. Since then we have managed to save $130 million for the western farmer through the Temporary Wheat Reserves Act.

Let us look at the controversy over the Crowsnest pass agreement and at the comment the minister made on his travels across the country. He made his statement, having formulated a plan, and then told the farmers that he was just testing the waters, that it was his own personal idea. Then there was an exchange between the Premier of Saskatchewan and the Prime Minister of Canada (Mr. Trudeau). Western Canadian farmers want to know why the possibility of doing away with the agreement is even being discussed, and why the minister has taken upon himself the mission of informing western Canadians that this might come about. They are leery because they know how involved and how obstinate this minister can be when it comes to bending from a fixed position.

Even though the Prime Minister has sent a telegram to the Premier of Saskatchewan stating that provided that is what western farmers want, there will be no tampering with the Crowsnest pass agreement. Western farmers feel that there is equivocation there and there is no real assurance that the agreement will not be tampered with. When the minister is involved, these people are deadly afraid of the results. When the minister goes out and tells them that the government will not remove the rail lines, while in actual fact all the plans are in place—according to a speech he made four or five years ago—to have the terminals set up in certain locations and all systems are "go"

except for the formal ratification and approval of parliament, it is small wonder that these people are leery and suspicious of the minister.

They wonder why the minister is involved in this program. The question comes to their mind: why is this minister responsible for introducing a western grain stabilization program; why are grain commodities not under the Minister of Agriculture? Perhaps it is too complicated a matter and perhaps the Minister of Agriculture (Mr. Whelan) does not understand agriculture, so the Minister of Justice, an intellectual and professor of law who understands agriculture better, will deal with that aspect of the industry. Be that as it may, it was the decision of the Prime Minister to put him in charge of that aspect of agriculture.

But having put him in charge of the Wheat Board, one wonders what other responsibilities the minister has for farmers' incomes. This could easily be handled by the Minister of Agriculture. All that has to be done is that the Minister of Justice step down. But no, this man is ambitious, and such men are dangerous. To quote Shakespeare: "Yon Cassius has a lean and hungry look". When one realizes he is a minister of transport, Minister of Justice and the minister in charge of the Canadian Wheat Board, as well as a roving ambassador, people wonder why. They would not be so leery if everything were in their favour. But in the end it always amounts to one thing, that the western farmer finally gets it in the end.

An hon. Member: Which end?

Mr. Korchinski: This is what they are concerned about. What I have tried to indicate is that western farmers do not trust the minister. I should like to quote from an article which appeared in the *Western Producer,* entitled, "Not fully sold on income plan". It reads:

The federal government has not completely "sold" farmer organizations on its income stabilization plan.

One realizes that despite several years of participation, involvement and discussions that have been going on, these farm organizations are leery, never mind the individual farmer. Farm organizations have collectively decided to be careful of the consequences whenever the Minister of Justice makes a move because there is bound to be something of which they should be suspicious. I think that what I have said will illustrate to the House and to the minister why we should not even proceed with the principle of the bill at this time. First, these questions must be answered. I understand that we must break now for private members' hour, but when I resume my comments tonight I will list the 20 questions that I have prepared for this occasion.

[Mr. Korchinski.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—External Affairs—Government action to restructure relations with developing countries; the hon. member for Victoria (Mr. McKinnon)—Manpower—Opportunities for Youth Program—Proposed control of grants on a constituency basis; the hon. member for Vancouver Quadra (Mr. Clarke)—Post Office—Alleged lack of authority for sale of non-postal items—Government position.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Herbert: Madam Speaker, I regret the necessity of having to rise again today on the same point that I have raised before. I thought the matter was well covered last Friday. However, reference to page 43 of the order paper will indicate an error in that it shows that the first five items were passed by unanimous consent, whereas on page 5438 of *Hansard* it is clearly indicated that these motions were allowed to stand at the request of the government.

● (1700)

I do not wish to see the procedure followed every time whereby all these motions have to be listed, and if the government is again going to request that the motions preceding the one which is to be debated today are to remain on the order paper, I do not want to have them read out. I had to rise today because the reprint of the order paper does not come about until Friday, and unless I rose today they could again be printed as if there had been unanimous consent, and certainly on my part there is no unanimity to let these items remain on the order paper if hon. members do not wish to proceed with them.

The Acting Speaker (Mrs. Morin): As the hon. member has stated, there are several errors on today's order paper. At page 43 under notices of motions Nos. 2, 15, 19 and 20 it is indicated that these items were allowed to stand "by unanimous consent." The notation in each case should have read "at the request of the government." The changes will be made at the first opportunity.

Mr. Reid: On a point of order, Madam Speaker, there has been discussion through the usual channels and I believe there will be consent to take the motion standing in the

name of the hon. member for Parkdale (Mr. Haidasz), notice of motion No. 28.

The Acting Speaker (Mrs. Morin): Is it agreed that, at the request of the government, items Nos. 2, 15, 19 and 20 be allowed to stand?

Some hon. Members: Agreed.

* * *

INCOME TAX

SUGGESTION RESIDENTIAL TAXES AND RENTAL PAYMENTS BE DEDUCTIBLE UP TO MAXIMUM OF $300 PER YEAR

Hon. Stanley Haidasz (Parkdale) moved:

That, in the opinion of this House, the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental payments of accommodation by tenants to be deductible from federal personal income tax up to a maximum allowable of $300 each year.

He said: Madam Speaker—

Some hon. Members: Question.

Mr. Haidasz: I am glad that there is so much support—

An hon. Member: On this side, not on that side.

Mr. Haidasz: —at least in certain parts of this House, for the motion I wish to present this afternoon. I am reintroducing this motion in this session and in this way I hope once again to bring to the attention of the federal government and to impress upon the Minister of Finance (Mr. Turner) the urgent need to alleviate the heavy and intolerable burden on the Canadian taxpayer, who is not only heavily taxed but in many cases is a victim of double taxation. The motion today, calling for at least the amount of $300 as a deductible expense from federal personal taxable income for municipal taxpayers of owner-occupied homes, and for tenants renting accommodation in rooming houses and apartment buildings, as some hon. members have said is not asking for much; it is a very reasonable request.

We all know how fundamental the provision of shelter is for basic existence, and we are also aware of the difficulty today of supplying adequate housing and providing the many services expected and demanded by people in our affluent society, especially in urban and industrialized regions. No level of government acting alone can hope to be successful in meeting all these needs and demands. That is why all levels of government must be involved in this venture and co-operate more than they have to this date. As the federal government's involvement in municipal affairs is very limited by the provisions of the BNA Act, provincial governments are mostly responsible for education, municipal land use, local economic planning and other services.

Unfortunately, not all provincial governments have as yet developed satisfactory policies and programs to ease the financial burden of municipalities. As a result, municipal governments have to tax property owners to raise money for the provision of more and more services which are becoming costlier by the year. What is unjust about this property tax is that many services provided by municipalities—education, for example—bear little relationship to the value of one's property holdings. Furthermore, a property tax in isolation cannot meet the principle of ability to pay and there is no precise relationship between property ownership and the ability to pay. An elderly couple, for example, has no great capacity to pay taxes by virtue of owning property. Therefore, property taxes are considered regressive, inflexible, inequitable and bear heavily upon those who can least afford them.

Furthermore, the person paying municipal property taxes is a victim of double taxation. Several countries, including the United States, prevent this kind of injustice by allowing property taxes, mortgage interest payments and other expenses as items deductible from personal income tax. On the other hand, Canadian taxation laws allow businessmen to deduct real estate taxes and operating expenses from income tax. In our present economic crisis, I believe it is urgent that the federal government, and especially the Minister of Finance, bring in policies to reduce unemployment, control cost of living expenses and cut taxes.

Mr. Baker (Grenville-Carleton): I hope they listen to you.

Mr. Haidasz: Thank you. Any measures encouraging the construction and purchases of homes and apartments will increase jobs and provide a healthy stimulus to the economy. Almost daily we read in the newspapers announcements and predictions that mill rates, hydroelectric rates, water rates and heating costs will be rising this year almost to intolerable levels. These developments are tragic, especially to people on low incomes as well as to senior citizens on fixed retirement incomes. Renters of accommodation in rooming houses and apartment buildings will also face higher rents because of increased taxes and operating costs. These problems have frequently been brought to the attention of various levels of government and recently by the Federation of Mayors and Municipalities. Members of this federation expressed great dissatisfaction with the senior levels of government for not giving municipalities sufficient assistance.

The rumblings of discontent are growing louder each day in all sectors of Canadian society faced with the rising costs of keeping a home, and heavy taxation. That is why it is imperative that the Minister of Finance give this matter serious attention in his next budget. The federal government has already recognized basic tax relief for marital status, dependants, donations to charity, moving expenses and job related expenses, and it is high time that it recognized the need to grant Canadians a basic tax deduction for shelter.

I believe that the support and acceptance of my motion this afternoon will help ease the heavy load of taxation which is now a crushing burden on many Canadians. I make this motion as a matter of urgent importance, in a spirit of co-operation and with the serious intention of trying to help solve the problem of property taxes, which is an inequitable, inflexible and regressive form of taxation burdening municipal taxpayers.

Residential Taxes

● (1710)

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, I rise to support this private member's motion to allow residential taxes and rental payments to be deductible from income taxes, put forward by my colleague the hon. member for Parkdale (Mr. Haidasz). This measure is long overdue and it is one that I have personally advocated for some time. I strongly support the principle that a proportion of municipal property taxes should be deductible from federal income taxes and that comparable tax relief should be extended to tenants.

The Canadian family's dream of owning a single family dwelling is fading faster than ever. Housing costs have soared in the past few years at rates that were thought inconceivable a few years earlier. The cost of borrowing money is prohibitive. Whether the housing crisis is one of shortage or price is of little consequence to the average Canadian taxpayer who must be making at least $17,000 annually to even obtain a mortgage before he is able to consider purchasing a home; otherwise, he is forced to live in an apartment or row housing.

Approximately 70 per cent of Canadians want to own a single family dwelling on a decent sized lot. Today, in Canadian cities, less than 5 per cent of the population can afford to buy a home and many of these must pay up to half their income in mortgage payments. When one knows of such situations it is very easy to understand why this motion should be accepted. Another reason apart from helping prospective and recent home buyers is the astronomical municipal tax rate in many cities. The people in Winnipeg are a classic example of this. Since unicity was forced on them, the municipal rates have risen in unprecedented jumps. These people are in urgent need of some tax relief.

There are more reasons for this motion being accepted. Every Canadian should, as a right, be able to obtain and live in suitable, reasonable-cost housing with the amenities of landscape. Within the natural constraints of geography and necessary economic and social limitations, the aim of government policy should be to generate sufficient housing stock of various forms so that all Canadians may exercise their freedom of choice as to the style and tenure of housing in which they live.

Canada's extremely high inflation rate of the last half decade has been a main instigator of the present price crisis. The government continues to blame inflation on other countries, but in the housing sector that just will not wash because in most houses presently being built there is nothing imported other than the thermostat control. This excuse is even less plausible than in the other sectors of the economy. The government owes some relief to the people hard hit by these price rises.

The motion before us would not only help alleviate the plight of new home buyers but present home owners as well, people who are being taxed to death by all levels of government. I cannot express too strongly, Madam Speaker, the necessity for this motion to be accepted by the House so that the government is steered into taking some definitive action toward clearing up this very serious situation.

[Mr. Haidasz.]

Mr. Lloyd Francis (Ottawa West): Madam Speaker, I listened with a great deal of interest to the arguments advanced by my colleague the hon. member for Parkdale (Mr. Haidasz) who introduced this motion, and also the hon. member opposite who just spoke. The motion is something of an old chesnut. It usually takes the form of allowing deductions for interest payments on mortgages—that is not included in this motion—or tax payments to municipalities, usually with the aim of encouraging home ownership. There are two objections that have traditionally been raised against this kind of motion. One, that it discriminates in favour of the higher income groups, so my colleague has put a ceiling of $300 on the claim. The second objection is that it does not do much for those who rent, so he has allowed an equivalent, offsetting deduction for tenants.

I have the greatest respect for my hon. colleague, Madam Speaker, but it is my contention that by introducing these qualifications he has failed to ask himself the basic question. What is he trying to do by the motion? In my opinion, the motion fails to achieve the basic purpose that he has in mind. Two basic principles were put forward by the two previous speakers. One was that it will encourage home ownership—I want to come back to that—by making the deduction available to every taxpayer who qualifies, regardless whether they rent or own a home. I fail to see that it gives any incentive whatsoever to home ownership. It considers tenants and owners on the same basis for tax deduction purposes.

When we talk about tax relief, let us look at the principle behind it and ask if this is the best means of giving such relief. It is my contention that there are more fair and more equitable means of doing so and I think they should be considered in priority to the motion before us.

Let us return to the first proposition, that it will encourage home ownership. The Department of Finance has indicated that something like $1,800 million would be lost to the treasury if such motions were implemented for the current tax year. If such a sum of money were to be lost to the government in revenues, there would inevitably have to be adjustments in taxes in other sectors.

Let us ask ourselves the basic question: what do we hope to achieve by the measure? The argument is that it will encourage home ownership. Let us consider that in relation to the present tax laws, taking taxpayer A and taxpayer B for comparison. Taxpayer A puts $40,000 into stocks and bonds and trust income; taxpayer B puts $40,000 into a home and leaves it there. Taxpayer A has to report the income on his investments of, say, 10 per cent per year and so has to include $4,000 per year in his taxable income. The owner of the home, taxpayer B, does not have to compute the economic rent of living in the home in his income. Our tax laws do not call for that, although the tax laws of some other countries such as the United Kingdom, do.

The second advantage that the owner of a house has under our present tax laws is freedom from capital gains tax on disposal of his principal place of residence, and that is a substantial advantage. The owner of investments does not have such an advantage when disposing of them, but is subject to the full capital gains tax. It is my contention that if the federal government wanted to go into the

business of encouraging home ownership, the most productive, the most forthright, the most satisfactory means of doing so are those positive measures considered in recent budgets. I am thinking, for example, of the CMHC budget going up over $1 billion in the current year, the Assisted Home Ownership Program which is now restricted to new construction, thus encouraging construction of new homes, and the $500 grant toward the purchase of a new house.

Mr. Alexander: That is a great deal!

Mr. Francis: Hon. members opposite can make derogatory remarks about those measures, but it is up to them to propose alternatives. I am thinking, also, of the measures the Minister of Finance introduced to encourage savings through the Registered Home Ownership Savings Plan. This is a positive feature, putting savings, in the form of a tax deduction, in the hands of those who need to buy a home. Hon. members opposite can be skeptical. I am not prepared to say that this is the best of all worlds, but these measures will do more to encourage home ownership than the resolution before us, in my opinion.

The budget for 1973 introduced a principle which I think will achieve a great deal. In that budget, new grants on account of municipal taxes imposed for local school purposes were subject to an equalization system. The measures cost about $190 million in the current fiscal year. When I hear hon. members talk about the burden of property taxes, I can agree with them, but they must admit that those taxes vary from one province to another. In the province of Alberta the problem is not as serious as in Manitoba or Ontario. The measure before us would make all provinces alike; it is not selective.

● (1720)

You cannot just talk about those provinces where the incidence of property tax is higher, argue for a general measure across the board and hope to achieve the same results. I heard hon. members on the other side talk about how regressive property taxes were for people with lower incomes, and older people.

Mr. Alexander: That was on your side.

Mr. Paproski: The hon. member for Parkdale (Mr. Haidasz) said it.

Mr. Francis: All right; I am glad I have persuaded hon. members. You have to look at what is happening under the present budget. Under the budget proposals at the end of last year, a married wage earner with two children under 16 would pay no federal income tax in 1975 on income up to $5,871. He would need to have an income in excess of $7,414 to get the maximum benefit of $300. There are a lot of people in this country who, unfortunately, are not going to qualify for that benefit.

Let us look at the position with regard to a senior citizen. Let us look at the various exemptions available to an older couple, both over 65 and retired. There is the interest and dividend deduction, the pension deduction and the tax cut. It has been calculated they could receive up to $8,258 in income in 1975 before becoming liable for federal tax. The hon. member's motion would not give one penny of relief to an older couple with income under $8,258 in such circumstances. You can talk about regressive taxes all you want, but I suggest this motion would be most regressive for senior citizens living on retirement incomes. Only a very small proportion of people who are retired have incomes in such brackets that they would qualify for any relief whatsoever under the hon. member's motion.

Mr. Alexander: Thanks to this government.

Mr. Francis: I am proud the government has introduced that degree of exemption under our income tax law. The motion fails to give the best priority in terms of tax reduction. If the objective is tax reduction, increase the basic exemption. Let us give across the board deductions, because they help people in lower brackets even more than an increased exemption. Let us consider the priorities that are available. Let us put more money into subsidized housing. Let us give the provinces more money for land assembly. Let us put our money into positive measures to encourage home construction and a reduction in home costs.

The hon. member did not refer to the impact of his resolution on those living under subsidized programs such as rent to income. I predict that the provincial authorities would quickly adjust charges to compensate for any possible gain which would accrue to these people as a result of such a resolution being adopted. For those living under plans in the province of Ontario such as Home Ownership Made Easy, I raise the question whether it is really a fair and equitable proposal to add the tax deduction on top of the other subsidies made available to those fortunate enough to qualify under such programs.

It is my belief that this measure would not do anything to encourage new construction of houses. It would not do anything compared to other measures that could be considered by way of the fairest, most equitable and appropriate forms of tax relief.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, the remarks of the hon. member for Ottawa West (Mr. Francis) indicate once again the lack of comprehension increasingly apparent on that side of the House concerning the magnitude of the housing crisis confronting this country. I have been most interested in the proposal put forward by the hon. member for Parkdale (Mr. Haidasz). I hope that the members of his own party have been equally attentive, particularly the Minister of State for Urban Affairs (Mr. Danson) and the Minister of Finance (Mr. Turner).

Obviously, the hon. member for Parkdale is concerned with the high cost of shelter in this country, and well he might be. The cost of new housing is well beyond the capability of all but a very minute per cent of the Canadian public. The cost of existing housing for the majority of Canadians is eating up far more than the 25 per cent of total income considered appropriate by the Canadian Council on Social Development and by CMHC in their guidelines for AHOP eligibility. It cannot be reiterated too often that the residential construction industry is in a critical situation. Housing starts have fallen by 50 per cent from a year ago, down to some 160,000 projected annually. Mortgage rates are zooming toward new highs, currently

at 11 per cent and estimated to continue rising. Mortgage funds, particularly with the trust companies, have all but dried up.

Lenders have stopped lending. Builders have stopped building. Buyers have stopped buying. Meanwhile, the formation of new household units continues at an annual rate of 230,000. Therefore, we have looming before us a desperate situation in the housing field. Family units are increasing, housing starts are dropping. The shortage of accommodation becomes ever more critical. What social problems and unrest that presages! The proposal we have before us, while laudable, will do little to alleviate this situation. The deduction of property taxes or rental payments to a maximum of $300 for income tax purposes will do little to stimulate the badly sagging residential construction industry. Such measures will have little effect on the desperate housing shortage. They will, of course, have no bearing at all on the high cost of land or the high cost of money, two of the principal factors in the present crisis.

The government seems intent on allowing interest rates in general and mortgage rates in particular to rise, and this at a time when its stated intention is to stimulate the economy. The Bank of Canada is following this very formula at the present time. Obviously, rising interest rates will have the effect of dampening, not stimulating, the economy. These contradictory objectives are typical of the confused fiscal policies now being put forward by this government, and nowhere is this more apparent than in the field of housing. Will the government not see its way clear to giving the taxpayer some relief by allowing at least a proportion of the current high interest mortgage costs as a deduction for income tax purposes? That at least would serve to bring interests rates down.

During the election campaign last year, my leader put forward a proposal to bring down interest rates by controlling inflation, but persons who have taken on mortgages at these excessive rates will continue to suffer for some years to come. In order to alleviate at least in part the harsh impact of these high interest rates on home owners, we propose to permit taxpayers to deduct interest in excess of 8 per cent on a first mortgage on their principal residence. This was the approximate rate in effect when Mr. Trudeau first began to mismanage the economy.

● (1730)

Mr. Knowles (Winnipeg North Centre): Order!

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is not allowed to refer to any member by name; she must refer to the constituency or to the office.

Miss MacDonald (Kingston and the Islands): I am sure hon. members will know to whom I refer.

An hon. Member: That is not the point. It is against the rules.

Mrs. Appolloni: He has a name. He is the Prime Minister.

Miss MacDonald (Kingston and the Islands): Will the government not see its way clear to set up—

Some hon. Members: Order.

[Miss MacDonald (Kingston and the Islands).]

The Acting Speaker (Mrs. Morin): If hon. members wish to participate in the debate on this motion they will be allowed to do so.

Some hon. Members: Hear, hear!

Mr. Alexander: Notice in what direction the Speaker is looking.

Miss MacDonald (Kingston and the Islands): Will the government not see its way clear to setting up the Federal Mortgage Exchange Corporation which was designed to provide a secondary mortgage market, one which would undoubtedly help attract mortgage investment into residential mortgages, particularly when the existence of such a market is obviously of such importance to the AHOP program? I find it incomprehensible that this corporation should have languished on the statute books for over a year and a half, particularly when the minister's predecessor gave the House to understand that its enactment would cure all the ills of the mortgage market. Will the government not see its way clear to lessen its recent heavy demands on the less-than-healthy Canadian capital markets, and moderate federal government borrowing so that more money may be freed for mortgage investment?

These are several steps which the government could implement immediately to alleviate the mounting housing crisis, a crisis which is reverberating through every sector of the economy. The government must recognize the magnitude and the extent of the housing emergency which now confronts us. The proposal before us, while a modest step in the right direction, is not the answer to the great burden which hundreds of thousands of Canadians are struggling to shoulder in the housing sector.

Mr. A. C. Abbott (Mississauga): Madam Speaker, it might be appropriate for us to return to the motion.

Some hon. Members: Hear, hear!

Mr. Abbott: I recognize that the hon. member for Kingston and the Islands (Miss MacDonald) has a number of things she would like to tell the House and the country at large.

Miss MacDonald (Kingston and the Islands): Housing is a crucial one.

Mr. Abbott: Housing, as the hon. lady points out, is indeed a crucial subject. She appeared to begin her remarks by applauding the suggestion of the hon. member for Parkdale (Mr. Haidasz). In the end she submerged it beneath a great deal of verbiage about her own views on the housing industry. She scarcely referred at all to the hon. member's submission. I suppose it would be open to any of us who wished to proceed upon similar lines to do so. I suppose I could even read a magazine article from *Weekend*.

Mr. Alexander: On a point of order, Madam Speaker, I have been sitting here, waiting patiently for the hon. member to say something about the motion of the hon. member for Parkdale (Mr. Haidasz). I hope that sooner or later—preferably sooner—he will address himself to the

motion so that we may have some idea of what he thinks about it.

Mr. Abbott: Madam Speaker, I have barely cleared my throat.

Some hon. Members: Oh, oh!

Mr. Abbott: The hon. member is suggesting to the House that I have been belabouring a variety of issues. Wait until I get to the motion. I was simply beginning my speech by admonishing the previous speaker for taking up so much time with her own pet theories on the housing industry and spending so little time on the principle raised by the hon. member for Parkdale. Of course, the hon. member for Hamilton West (Mr. Alexander) raises—

Mr. Knowles (Winnipeg North Centre): Don't spoil our *Weekend Magazine*.

Mr. Abbott: I can assure hon. members that, notwithstanding earlier comments, I shall not read anything from *Weekend Magazine*, whether a certain hon. member is now gripping the country or not. I know the hon. member opposite feels very strongly about housing. I know she has many ideas she would like to express on the subject. But I believe it is important to deal with the question raised by the hon. member for Parkdale.

Some hon. Members: Hear, hear!

Mr. Abbott: Essentially, this is a taxation matter, not essentially one to stimulate the housing market. It is on this ground that the suggestion lacks merit. The hon. member for Ottawa West (Mr. Francis) has set out in perceptive detail the difficulties which would flow from the suggestion put forward by the hon. member for Parkdale. The broad nature of the taxing proposal is such that it would bring no benefit whatever to those in the lower income brackets, while benefitting to an appreciable extent those in the higher income brackets about whom the hon. lady is probably less concerned.

The fact is that a tax-free investment such as a home can represent, in the hands of a person in the higher income tax brackets enjoying a maximum of a $300 deduction from his or her income tax, would be an appreciable advantage as compared to, say, a pensioner living in a home he owns and having no taxable income and not enjoying a similar benefit.

The cost of the program is estimated as being in the area of $1.8 billion a year. We would either have to find this money elsewhere out of the taxpayers' pockets or reduce programs in other directions, possibly in directions which are already stimulating the housing market. So, on the taxation principle that we do not provide a taxpayer with a deduction in respect of personal expenses, the measure would fall on this point alone.

As to a person living in rental accommodation, there are a variety of provincial schemes which endeavour to provide low rental accommodation for people with moderate incomes. These programs would be distorted if a further reduction for rental were permitted on whatever tax these people might have to pay. So the various objectives do not, in my judgment, go to the question of attempting to resolve the problem created by the heavy burden of taxation being felt by everyone due to the large amount of governing being done in this country.

● (1740)

With regard to the fact that there is no provision for integrating taxation to the level I should like to see, I suggest it would be far better to have a system under the Income Tax Act to take better note of mortgage interest and municipal taxes, embodying them at the income tax level so that people could have their taxes reduced by having their exemption raised. By this method the government could raise personal exemptions to benefit those who were not in the high income tax brackets.

I think it is really with respect to the nature of the solution offered by the hon. member for Parkdale that the only criticism lies, not in his objective. It is directed to the inequity of the benefit, to the fact that only those in the higher income tax brackets would benefit. I know there are a variety of stimulative measures that the government has already taken in previous budgets in an endeavour to keep the housing industry at a high level of activity, and particularly in these days to increase housing starts. But I suggest more needs to be done.

I hope that in his forthcoming budget the Minister of Finance (Mr. Turner) will take note of these needs, and will endeavour to provide stimulative measures to revive the housing industry, an industry that is so important to the economy and which benefits all levels of income earners in Canada. In conclusion, may I simply say it is not the objectives of the hon. member's suggestion with which I quarrel; rather it is with his method.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, in the twenty-ninth parliament a member of the Social Credit party moved a motion on a Friday afternoon in private members' hour that had an objective similar to the motion moved today by the hon. member for Parkdale (Mr. Haidasz). At that time the hon. member who moved the motion was the only member of his party present in the House, and I rose to second it in order that the very important subject matter could be brought before the House at least for discussion.

The hon. member for Parkdale, a member of the Liberal party, has moved a motion today which we are now debating. I think he is a man of some considerable compassion.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): He is a member whose motion ought to be accepted by this House. Normally I do not take issue with the hon. member for Ottawa West (Mr. Francis). He and I are neighbours. In terms of these questions I think our differences are very small. I do not take issue with him now except to say that I believe his views on this motion are somewhat restrictive, having regard to the terms of the motion.

The hon. member for Mississauga (Mr. Abbott) talked about the possible discriminatory effects that there might be if this motion were to be adopted in that only those in the higher brackets would benefit. He then said this would cost approximately $1,800 million a year. That may well be a conservative figure in view of the inflation which is

running rampant today and which the government, supported by the hon. member's party, has done nothing to control. I suggest that if the Minister of National Defence (Mr. Richardson) can say, as he did, that he is only wasting $10 million a year on investigating an aircraft program, then surely to goodness we can consider a program of this nature.

As for the contention of the hon. member for Mississauga that his suggestion would distort rental programs, I think this is a very real concern. But I do not think that the ingenuity of the government has been taxed regarding an examination of this distortion. When such things are proposed I am amazed at the absorptive capacity of the government.

A few years ago the Leader of the Opposition (Mr. Stanfield) suggested the indexing of personal income tax. The Minister of Finance (Mr. Turner), in that famous speech which he made at Truro, said it could not be done. Then followed a retreat from Truro that is rivalled only by Napoleon's retreat from Moscow. All of a sudden this proposal was adopted.

Mr. Francis: Would the hon. member permit a question?

The Acting Speaker (Mrs. Morin): Would the hon. member for Grenville-Carleton allow a question?

Mr. Baker (Grenville-Carleton): Madam Speaker, if I may, I will give him time at the end of my remarks.

Then during the last federal election an incomes policy was perhaps the worst possible thing that could happen to Canada, according to the Minister of Finance, who is also my neighbour, and according to the Prime Minister (Mr. Trudeau). But what did we see in the Toronto *Star* today, and what is going to be in the Ottawa *Journal* tomorrow? The beginnings of an incomes policy. It is another retreat, perhaps a retreat that is too late.

It is the easiest thing in the world to put stumbling blocks in the way of the motion proposed by the hon. member for Parkdale. There are administrative difficulties, indeed all kinds of difficulties. But the important thing in this private members' hour is for the House to recognize that the hon. member for Parkdale has not asked that we enact a piece of legislation. All he asks the government—and compassion is supposed to be in the breasts of all members in this House—is to give consideration to the feasibility of his suggestion.

Surely to heaven we have not yet reached the day when members of the government should turn back the terms of a motion of this sort. I am satisfied that if this proposal is not contained in the minister's next budget, this proposal, with others that have been advanced by members on all sides of the House, will eventually become government policy in some form or another.

I think it is wise, Madam Speaker, that we recognize two things. Of course it is difficult to buy a home. But that is not the issue here, and I do not think the hon. member for Parkdale meant it to be the issue. It is becoming increasingly difficult for many people to keep up a home. Although many old age pensioners do not own a home, we all know the problems of those who do. Tenants are facing rising rentals each time renewal of their leases becomes due. There are escalator clauses in leases the likes of which we never saw before—lawyers' dreams! This is what the hon. member for Parkdale had in mind in moving his motion.

There are a lot of things that perhaps the government can learn from the private members of this House. The hon. member for Parkdale has become a private member, and he is a very proud private member, and a very good private member.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I think it behooves his colleagues who are private members, some of them good private members, to ask the government to give this motion consideration. Let us examine its feasibility in the open manner which approval of the resolution would mean. I think it is important that we not lose sight of the difficulties some of our people are facing, especially since we have had certain difficulties of our own looked after recently.

● (1750)

I think we ought to give a sober second thought to the possibility of rejecting this motion, for there seems to be some feeling that it is going to be rejected or talked out. I hope that will not happen because I think this motion was brought forward in the best of faith by the hon. member for Parkdale. I want to commend him for it, and I support him. I know he has the support of members on this side of the House in respect of the principle he is trying to advance.

Mr. Francis: Madam Speaker, when I was speaking earlier I attributed views to hon. members on the other side in support of the motion. The hon. member for Grenville-Carleton (Mr. Baker) interjected, and I gathered he felt I was imputing something unfair. I would ask that hon. member now whether he spoke in favour of the motion or against it?

Mr. Baker (Grenville-Carleton): Madam Speaker, I did not think my speech would put the hon. member for Ottawa West (Mr. Francis) to sleep. I want to assure him that I was speaking in favour of the motion.

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Madam Speaker, in the time remaining I want to be identified as supporting the worthwhile suggestion contained in the motion of the member for Parkdale (Mr. Haidasz). This involves a very worthy exemption that should have been granted years ago in this country. I commend the hon. member for this worthwhile suggestion. Why should we not have an exemption and deductibility in respect of expenses which are basic to our living expenses?

This motion would also help the municipal tax system because it gives us an incentive to pay our taxes promptly in order to obtain the exemption, because unpaid taxes or taxes in arrears would not earn the federal exemption.

If the government will not allow this motion to pass today I predict that it will bring in a similar motion in the near future. Perhaps this principle will be brought in as part of the next budget, and I hope that it is included.

There are some strange parallels in this House. Today we have the Liberal backbench section talking out the worthy motion put forward by the hon. member for Parkdale. The point I want to make is that only last week during a private members' hour the hon. member for Ottawa West (Mr. Francis) put forward another very worthy bill in respect of gasoline marketing that would have assisted millions of Canadian consumers, just as would the motion today moved by the hon. member for Parkdale. That motion was also talked out by members of the Liberal party. This is a strange government with no purpose and no leadership. This government does not recognize worthy suggestions like that of the hon. member for Parkdale. No wonder this motion is being talked out by the—

Mr. Parent: Madam Speaker, I rise on a question of privilege. I happened to be here during the debate last week, and I was under the impression that it was not only members on the Liberal side who were speaking but also members of the opposition. So to suggest that we talked the bill out is not right, and I would like to correct the hon. member.

Mr. Alkenbrack: Madam Speaker, I hope the time for that interjection will not be taken out of our allotted time. The backbenchers on the government side do not know how the front line thinks or acts. There is not one member of the Cabinet here at the present time. They are not interested in this measure. They are not interested in any tax incentives, or even in the taxpayers today.

Let me throw out another suggestion along the same line of reasoning embodied in this worthy motion of the hon. member for Parkdale, and that is, that mortgage payments and interest on owner-occupied homes should also be included as tax deductions. Of course under the autocratic philosophies of the present regime we cannot expect this, but I predict that further basic cost of living expenses of this kind will have to be recognized by the government, and soon. I am sorry that because of the present policy of the Liberal Party we will not be able to pass this motion today.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): First of all, Madam Speaker, I should like to compliment the hon. member for Parkdale (Mr. Haidasz). It is nice for a change during private members' hour to have a positive suggestion come from a private member.

In the ordinary course of events we have ideas promoted from the other side, and we sometimes wonder whether they have really done any research or work on the matters put forward. It is obvious that the hon. member for Parkdale has done some research and has, in fact, seen one of the problems in respect of this particular form of tax relief he is referring to, namely, how to help those who are tenants of rental property.

That hon. member, having done his research, as he does so well in respect of all his work here, has tried to overcome that particular problem by equalizing the tax advantage so that the homeowner and the tenant are not placed in unfair positions. I do think the hon. member for Ottawa West (Mr. Francis) recognized a similar problem, and endeavoured to provide the same kind of relief that the hon. member for Parkdale is endeavouring to provide with this particular motion.

Unfortunately the hon. member for Kingston and the Islands (Miss MacDonald) has left. Perhaps she had to go out for another *Weekend Magazine* interview. I do not think she was totally off base in her comments, but I think she misread the motion as another measure to help the housing industry rather than as what the hon. member intended, and that is to help people who are buying homes and those who are renting.

We heard some scoffing at the $500 grant. It should be pointed out to the hon. member for Kingston and the Islands that the Minister of State for Urban Affairs (Mr. Danson), when speaking in Toronto on May 1, pointed out that there has been an enthusiastic response to our offer of a $500 grant to all first time purchasers of new, modestly priced houses. He pointed out that we have now paid out some $7 million in home-owner grants to about 14,000 families. These are families who would not have been helped had it not been for this particular piece of legislation.

Hon. members scoffed at the Assisted Home Ownership Plan. I would point out in that respect, as the minister did in his speech, that it is probably the most popular housing program ever introduced in Canada. It should be pointed out that more than $124 million has been allocated in AHOP loans to Canadian families. If this continues at the same rate we will have allocated more than $340 million by the end of this year. These are facts. It is easy to get up and say things are not being done, but this $124 million will blossom into $340 million through this single piece of legislation.

Mr. Alexander: As a lawyer I am ashamed to hear you say that.

Mr. Cullen: I think the hon. member is speaking as a lawyer who used to make money out of real estate, and he is sorry that all these people on low incomes are able to buy houses.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture, and the amendment thereto of Mr. Baker (Grenville-Carleton) (p.).

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, at five o'clock I was appealing to the House to have this particular bill set back so that the standing committee could have an opportunity to go to western Canada and hear representations from the farm producers. It is not sufficient to have a few briefs submitted by the executives of a few farm organizations because this bill, in its original form, did not meet with favour.

I pointed out that in western Canada there is a great distrust of the Minister of Justice (Mr. Lang), which he brought upon himself simply because of the way he handled other legislation and other problems. He has injected himself, whether voluntarily or on the insistence of the Prime Minister (Mr. Trudeau), into areas which are not considered to be within his domain as a minister. I pointed out the area of transportation about which we are very concerned.

It is interesting that after several years' delay the minister should suddenly slip in this bill just at about the time farmers are preparing to go on the land. That in itself is an indication that there is something about which the farmers should be aware. Every member of this House must be aware that when the farmers are on the land they are busy and do not have any time to be concerned about policy making or carrying on discussions. After all that time the minister suddenly decides to bring into the House a bill which he states is part of the government's over-all policy. No farmer will take the time while he is on the land to make representations, and yet there has been no effort until now to introduce this bill.

I am sure the farmers can live without this bill for another few months, or forever if it is not improved. Some of the problems in the original bill have not been corrected. The bill contains much window dressing. There are many problems. I have already mentioned the $100 million prize offered, but since then we know that $130 million has been collected. The question of regional consideration is not taken into account. The minister, in dealing briefly with this, said they looked at it but were not satisfied and required further information. What guarantee is there that a number of years from now they will still not have a solution?

In my proposal in respect of the original bill I said we should take into account the block system. We know that the Canadian Wheat Board manipulates grain movements through the block system. It is possible to have one area deliver more than another area simply because of the

[The Acting Speaker (Mrs. Morin).]

manipulations of the Canadian Wheat Board. The minister says that we do not know the cost of production for individual areas. We ask why we cannot have a bill which takes into account the overall cost of production, but with regional pay-outs? We could give the government three, four, or five years to figure out a plan, and in the meantime work on the basis of the block system.

Since the minister has not even looked at that problem and has merely commented on it, I shall go one step further in view of the great problem in western Canada today. The smaller communities, as the minister is aware, are struggling for existence. One solution to their problem might be through the use of this legislation. We know the Canadian Wheat Board has a computer system by which every delivery point is known. We know exactly what the income is in every area where there is an elevator, and therefore the calculation can be made on the basis of every community. If the minister really wants to help these communities, this in his golden opportunity. I am sure all the people in the smaller communities would make this appeal. I say they should be given the opportunity.

Frost affects many areas locally. Frost may affect at one time only a few communities in a block. These are the communities that will be adversely affected, and they should receive the benefits of any stabilization. They should not have to wait for an area which has had bumper crops for a long period to have a failure, before they can obtain assistance. This is the type of question I should like the minister to answer. Having waited all these years, if we are to have a stabilization bill which will be effective on behalf of all these communities, why could we not wait a few more months, or even a few years, to accomplish this?

● (2010)

That is one of the big arguments at this particular time. Why would the minister overlook this? Why must the depressed areas subsidize the areas that have always had it good when it comes to delivery? They may have had good crops on a continual basis, but suddenly when the entire region suffers from a crop failure the better areas qualify for a payment. My area is one of those that suffer from snow, frost, flooding, grasshoppers, beetles. You name it, we have it. We are a frontier area. When it comes to disasters, we have all kinds of them. Often we have late crops, and in many cases we have poor quality crops. You can break sales down very simply. There are statistics available in the Wheat Board office in Winnipeg right now.

I did say that I had some 20 questions to put to the minister, but I do not know how many of them I will be able to put in the time available. Another question is: do we need this particular kind of plan? I am suggesting that this plan does not meet our requirements.

Then there is the question as to whether the plan should be mandatory. The minister made it possible for farmers to opt out after three years, but his department will not have the statistics until the three years are up. The minute you have the statistics, you are either in or out, and that is final. The minister should give the farmers an opportunity to consider the plan for a longer time. We will not gain

sufficient experience in three years. The clause as it stands now does not cover the situation adequately.

The next question is: why do we not take into account the entire cost of production? Even the income tax people recognize certain costs of producing grain as a legitimate deduction. The income tax people can be tough enough, but they recognize many of these costs as legitimate deductions, and yet the Minister of Justice himself tells us that he will not include those expenses that are included for income tax purposes. I say that the minister should take that into account.

Then, when it comes to considering averages, why must we take a backward look? Farmers are asking these questions. Why are we taking into account the average income over the past years? Nobody who works for a salary wants to sign a contract on the basis of his average income in the past five years. Surely to goodness the government should be forward looking these days. We know that inflation is with us, but the government has done nothing about it. If we make calculations, why should we not make them taking into account inflation? Even if you have to base the formula on the previous five years, you should add the rate of inflation that was experienced in the last five years.

If you take the cost of production into account, you must remember that today the dollar is not worth what it was two years ago. If you give the producer $100 today, you know as well as I do that he cannot purchase the same amount that he could two years ago. The cost of fertilizer went up three times. Why must we constantly look backward in agricultural matters? Why does agriculture not take its rightful place alongside other industries? Why must farmers be considered second or third rate citizens?

I have already mentioned the matter of payment on a regional basis. We take acts of God into account, but we must also consider acts of the minister with regard to regional economies. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) covered that question fully when he mentioned LIFT. The producers' income could be manipulated by the minister. What is the Wheat Board going to do once it collects the information? These are questions that have not been answered. Will they make decisions regarding grain deliveries and shipments out of those areas on the basis of the information they collect? Will they report incomes to the revenue department?

Why is it that the social insurance number has to be recorded in all transactions? Must the farmer have a third copy to submit to the Wheat Board, or whoever is administering the program, in all transactions, such as transactions regarding seed grain being purchased by one farmer from another farmer? Is Big Brother to look into all transactions? Why is the social insurance number mentioned in the bill before us, and why are farmers suspect? What will the minister do with that type of information?

Why must a farmer who happens to be in the elevator when the commissioner comes have to remain there until the commissioner is through with him? He may be dropping in for a social call, but the farmer has to remain there until the commissioner is satisfied that he has all the information. If he decides to keep the farmer there for the rest of the day, the farmer must stay. These are some of the questions the bill raises. What is the need for that type of control and authority? What kind of police state are we creating?

Mr. Béchard: Don't get mad.

An hon. Member: Hold your hat.

Mr. Korchinski: Why do we have to set the limit for delivery at $25,000? We all know that $25,000 might have been a fair amount of money at one time, but now it is not enough to meet expenses. Why was that limitation put on? What is so sacred about $25,000? Perhaps that figure appealed to the minister at a time when the cost of wheat was $1.50, but it is no longer that.

Another question is with regard to the exclusion of certain farmers. Why can we not include all farmers? How does the farmer receive his overpayment? If, for example, he had an income of almost $25,000, and then, after a crop failure everywhere, how does he recover his overpayment.

Consider the bureaucracy. The minister said we will not have inspectors. If that is so, then how will he know how much grain is produced, and how will he know about transactions between farmers? How will he know whether or not I fed my grain to my cattle?

Mr. Lang: That is not relevant.

Mr. Korchinski: But the entire production can go into feeding cattle. How will the minister know I actually produced that amount, and yet I am entitled to the payment under the bill? How will he know that without having inspectors?

Some hon. Members: Hold it.

An hon. Member: You will get a heart attack.

Mr. Korchinski: What plans are there to review the program after a few years? Why is it that we are making the same mistake we made with PFAA? Originally PFAA was set up on the basis of townships. Why must we go into large regions, and then find out several years later that farmers must come to government to beg them to amend the legislation, when we know that that is what they asked for a few years ago? Why must we make the same mistakes again in the hope that the farmers will come begging to the government to introduce amendments to the act? The government will then say to them, "Look what wonderful things we are doing for you."

Fortunately for the farmers the government changed the provisions under PFAA. The Conservative administration was in office at that time. Why is it we are starting on the wrong foot right from the beginning when we have waited for this legislation for a few years?

If the government is paying 4 per cent of the levy, why can we not put the 4 per cent into a crop insurance plan, for example, thus improving the plan so that it would benefit the farmers and so that everybody could operate his own scheme? There would be no need for policing other than we have now. Under the crop insurance scheme provincial governments have set up a system of inspection and they know how it operates. We could improve on that. We do not need another army checking into the operation.

● (2020)

I am afraid that this will bring about an army of inspectors, and that it will bring about an army of political inspectors. If the minister is setting up another Gardiner machine, I want to know why we need one. The farmers do not need one. Perhaps the minister does, but if we must levy 2 per cent to set up his political machine, we do not want it. These are the kinds of things about which farmers are asking.

I ask the minister what the total contribution from the federal treasury will be? In his speech he was only able to skim over a few figures. When farmers' levies for all the years are taken into account, when the years when farmers do not receive payment under this plan are taken into account, when it is considered that there will be years when payments will be lucrative for one area even though that area experiences a bumper crop, when income tax is deducted from these areas, much of that money will be coming back to the treasury.

We would like to know what the total federal involvement will be. What is the government pushing here? Is it coming through with a plan which will provide a larger income to the farmer, or is it suggesting that the total distribution of available funds will be really adequate? It may just be an imaginary figure the minister has dreamed up in the course of trying to sell this idea of stabilization. Are we going to be stabilized above poverty level? It appears that this will happen because we are not escalating incomes in accordance with the rate of inflation.

We ask whether this bill can be written in a less complex way. Lawyers have stood in this House, and one quoted certain sections of the bill. Anyone reading this bill would wonder what kind of formula is being drafted. If the Minister of Justice, with all the expertise he has in his department, cannot draft anything simpler than this, I wonder what chance any farmer will have to determine whether he is actually being overpaid. There is a clause in the bill which says that if a farmer is over paid, he should refund this money. How in the world is he supposed to figure out whether he is over paid? On the basis of this formula it would be pretty tough going. I am sure that if the minister's department cannot draft something simpler, we will have farmers involved in litigation. Lawyers in the courts will have a real field day trying to defend someone, but that is about the only benefit this bill might have.

The minister might also explain how this bill will affect, for example, the port of Churchill. If the government can manipulate grain according to the statistics it has, how will that area be affected? If we find certain economies, will we be trying to push for those developments in western Canada? Do we have to wait for the southern area, such as Assiniboia, Rosetown, Biggar, and other heavy growing areas for benefits? Perhaps we will have to wait for them to have a crop failure before we receive benefits. What is the advantage? What is the net result of this type of readjustment in the thinking of farmers as far as western development is concerned? How is the small community going to benefit where it has been manipulated in the past?

I already indicated, for example, where grain was shipped from Assiniboia to the port of Churchill, and not grain coming from my area which is right next to the port of Churchill. Would that kind of manipulation stop? Why should we allow it to continue with this kind of bill? Can we not check some of these inadequacies in connection with transportation? How will it affect, for example, the plea to retain certain railways? If the minister cannot figure out what the cost of production is to determine the total cash flow, how are we going to present a case for retaining railways?

The minister admits that at the present time he is having a tough struggle. Some of these inquiries are being conducted by the Canadian Transport Commission. Will the CTC be able to give us some of these answers which up until now we have not received? What effect will a trucking system have on the total cost of production? There have been studies. There have been grain deliveries into Saskatoon for a unit train set up. If the minister does not have that information and he tells us that he needs another year or so to obtain it, we might be patient and wait for the answer before we proceed.

There are many questions in the minds of farmers, but they hear few explanations. They fear that the minister is imposing something on them and in such a way that it will not help small communities which are struggling and fast being written off. The minister could help if he so wanted. We should have these answers before we proceed. If there is a possibility of an answer, we should know that before we consider tampering with adjustments or amendments to clauses. I suggest that we need more information. If the minister has not obtained the information, the committee is prepared to travel to obtain some of the answers. After receiving those answers, or at least making an attempt, we will then be prepared to consider the bill clause by clause to see what advantages, if any, there are for western Canada.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the grain industry has been debated on more than one occasion in this session. The Standing Committee on Agriculture has also spent a good deal of time discussing grain and grain related questions, but the bill before us is by far the most important and significant single piece of legislation dealing with grain farmers and the western grain industry which has been put forward in a long time.

There is a considerable body of legislation dealing with various aspects of the grain industry. I can mention the two price wheat system which we dealt with earlier. There was a good deal of time spent in committee, and I think it is still before the House at some stage. The cash advance legislation and deferral of cash delivery tickets are examples of grain legislation. We have seen a number of other policy developments in the last several years, not all of which have required legislation. I am thinking of the implementation of the block shipping system and the extension of credit facilities to the Canadian Wheat Board in order to assist it in obtaining greater foreign sales around the world, which it has done.

● (2030)

I think of the government purchase of hopper cars, the establishment of the Canada Grains Council, the establishment of the grains administration group, and perhaps

the most recent move in this direction, the election of the producer board of the advisory committee of the Canadian Wheat Board. These have been good moves. They have been helpful and necessary, and the list is by no means complete. I could mention other situations that have been corrected and other policies that have been introduced.

The hon. member for Mackenzie (Mr. Korchinski), who just took his seat, was speaking about what is going to happen to the municipal roads if any of the branch lines are abandoned. I should like to ask my hon. friend if he remembers how things were a few years ago when grain was bootlegged in the real producing areas of Saskatchewan—Yorkton, Kindersley, up into his area and into Meadow Lake in northern Saskatchewan. More grain was unnecessarily moved by trucks because of an outdated quota system inherited from Conservative times, than was moved by rail.

When the hon. member talks about the possible damage to roads because of some possible rail line abandonment, I ask him to remember the bootlegging situation. I am sure he is well aware of it because it is one glaring example of the policies we inherited from his party when they were in government. Improvements such as the block shipping system and other innovative policies have come about under the present minister responsible for the Canadian Wheat Board.

Hon. members opposite have been very critical of the minister in this debate. He has the job of tackling the problems and policies of the grain industry, and they seem to wonder why a Saskatchewan minister, and member of parliament from that province, should be given this responsibility which is vital to western Canada. Is that wrong? One would think so, listening to the critics in the official opposition and, to a lesser extent, in the New Democratic Party. I am not sure, and I am sure nobody else is, just what disturbs my hon. friends in the opposition, because there has not been any basic criticism of the minister's performance. We have not heard any factual criticism of his many achievements in regard to the problems of the grain industry. They often refer to the LIFT program, and there were some good and bad things about that program, but they do not mention the record movements of grain, record sales to China and other markets, and the record exports of barley.

They forget that in 1969 the total barley exports, including malting barley, were 22 million bushels, but three years later under this minister were over 200 million bushels. They forget these things when speaking of the minister's performance.

It may be that what opposition members are really critical of is the determination and capable manner in which this minister has gone about analysing and tackling the problems of the grain industry. His approach is new, and different to members opposite. They always have simplistic answers—the NDP says "set the guaranteed price" regardless of production or any other problems. As far as the Official Opposition is concerned, their approach is more flamboyant—give a $200 payment to everybody.

While I commend the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), a former minister of agriculture, for what he has done for the western grain industry, we must remember that his one big effort was a large sale to China some years ago, which has been surpassed more than once by the present minister in charge of the Wheat Board. Western Canadians in general, and farmers in particular, have been impressed with the minister's (Mr. Lang) dedication, determination, and performance, and with the analytical manner in which he has sought solutions to the problems of the grain industry.

Western grain farmers, and I am sure this is true also of farmers in other branches of agriculture, are much better informed of the problems in their own industry than heretofore. This has been brought about by a concerted and positive effort by this government and this minister. I strongly believe that if government, or government agencies, can provide farmers with facts and figures, collectively and individually they will make their own decisions and do much better than governments or any other kind of advice of experts passed on to them. The program of getting information out to producers is part of a policy begun by the present minister.

The history of Bill C-41 was discussed earlier in this debate by the hon. member for Assiniboia (Mr. Goodale) and others, Mr. Speaker. Both the hon. member for Vegreville (Mr. Mazankowski), and the hon. member for Swift Current-Maple Creek (Mr. Hamilton), pointed out that there are other issues and concerns that directly involve the grain farmer, such as transportation, labour unrest—even the weather when moving grain through the mountains of western Canada. That is true, of course, but the aim of this bill is much deeper and is not concerned with the problem of boxcar shortage, rail line upgrading, labour disputes and so on. That is the income question, the good years and the bad years, the cycles which directly affect not only the grain growers but almost every other sector and every other group of people in western Canada.

The importance of these cycles and their tremendous effect on the western economy is a difficult thing for Canadians in other parts of the country to understand, I am sure. Not everybody appreciates the tremendous importance of the health and welfare of the grain industry, and the dependence of all other sectors of the economy on that industry.

Western provincial governments of all political stripes—and in the last 30 years in Saskatchewan there have only been two—have wrestled for years with the problems of rural depopulation. Parties of all political stripes have fought to stabilize growth of development, and many good and helpful programs have been developed to improve the living standards of people in smaller urban communities in Saskatchewan, Alberta and Manitoba. There have been programs such as natural gas service to small communities across the prairies, water, sewer, and other services, but despite that we have seen the trend away from farms and small communities.

The people who remain have been helped, but the trend of grain producers forced off the farm by the ups and downs of their lives, has not been reversed. These policies have been joined by a federal program of aid to agricultural service centres which is putting $10 million into Saskatchewan alone, and a similar amount into the other two prairie provinces, but still this has not prevented the flow of population from prairie towns to larger centres either westward or eastward. It is not because these people want

to leave, but because they need a stable job on a year round basis. They have not been able to find that in large areas of western Canada. They are dependent on a steady, stable cash income from the grain grower. This bill is aimed at that basic problem, whether it be lack of world markets, lack of ability to penetrate those markets as it has been before, reduced market prices, or increased costs of operating the farms.

● (2040)

I agree with the hon. member for Mackenzie that Bill C-41 is complex and complicated. In this regard it differs in a major way from Bill C-50 which we discussed in this House not so very long ago. However, I suggest to hon. members that you cannot have it both ways. Members opposite criticized Bill C-50 because it was not specific enough. It did not spell out cost indexing, and so on and so forth. In this bill the minister is trying to enshrine all these various aspects of the policy into legislation and have them written into law, leaving very little to regulation. You cannot have it both ways.

I do not pretend to understand all of the formulae spelled out in the bill. It will require some good, solid committee work on behalf of members of all parties to go into the mechanism of the bill. In this debate, however, we are dealing with the principle of the bill. The principle is one of providing a form of income stability for grain producers and, as a result, for the other tradesmen, the other people in the prairie basin.

Net income stability is one of the features of this bill. It was not one of the features of a similar bill put forward a few years ago. That was a valid criticism at that time. The minister corrected that in consultation with dozens of farm organizations and farmer groups which met and had some input into this bill.

This is not a floor-price policy. It is not a 90 per cent of the best five years' index as was Bill C-50. It is a different principle. The bill establishes a fund for income stability. As I indicated earlier, income stability for the grain farmer is the first step in creating greater stability for the prairies.

What does the bill do? Very simply, it is a plan whereby a fund is established. The fund gets money from two sources. From the farmer it gets 2 per cent of gross sales up to $25,000. As far as the contribution from the farmer is concerned, this represents a maximum of $500. It will be matched by the government of Canada, the taxpayer and the treasury putting 4 per cent into the fund. The hon. member for Mackenzie said the $25,000 figure is too low. I do not know. At the moment I do not think it is. However, that is not the principle we are debating in this bill.

For every $3 put into the fund, $1 is put in by the farmers and $2 by the taxpayers and treasury of Canada. Who is going to get that $3, and how? It will be the farmer, and only the farmer, who will get any money out of that fund. That should be easily understood.

I cannot understand why any member opposite would want to defer for further study a bill containing this kind of deal for the western farmer. It cannot help but be a good plan in principle. The farmer receives a cheque from the fund if the total net income from grain drops below a five year average.

[Mr. McIsaac.]

Farmers and farm groups have been consulted. They have been discussing this bill and the principle of it for the past four of five years. To defer it for another six months is sheer nonsense. It clearly demonstrates the lack of any kind of policy on the part of members opposite.

Members opposite do not say what should be done about this bill, only to put it off for six months. They have had five years to think about it. They went through the last election campaign in western Canada without any great plans or policies, other than fixing prices and wages, and that did not work. They have had a little time since then. They now ask for another six months so that some of the experts and the farm members from western Canada can think up a better policy. Having already had five years, I do not think another six months will do them any good.

Members opposite are very concerned about getting this bill into committee and then hitting the road for, I presume, public hearings all over the west. Anyone who looks at this bill can see that that would be a very premature kind of move. The first job of the committee is to spend some time with the officials in order to study the details of the bill. The committee can then consider where and when it should travel. The committee should meet with producer groups, as has been done with regard to other somewhat similar pieces of legislation. We do not need to travel around the prairies for weeks or months to do that. The committee has an obligation to ensure that the Canadian Federation of Agriculture, Palliser Grain growers, the wheat pools and other groups are brought here and informed of this legislation so that they in turn can explain it to their members.

The principle of this bill is designed to meet one of the great concerns of western farmers since homestead days. I do not pretend that it will solve all of the income problems in the grain industry. No fund or policy could do that. Crop insurance will still be essential. But it is going to be an integral part of the scheme. I am sure the bill will need to be improved.

I agree with one of the main criticisms of members opposite that we have to look a little harder and a little further for a better approach to varying regions in order to reflect the actual situation over the broad geographic area in a better way than that provided in the bill.

The official opposition want to stall this bill. That is the only suggestion they have made. I suggest the amendment is sheer nonsense. It is petty politics. It is sheer personal antagonism against the minister for the sake of small-time political gamesmanship. They want to stall instead of getting this legislation in place.

Some hon. Members: Hear, hear!

Mr. McIsaac: The hon. member for Mackenzie said it will take a year or two to get some facts, figures and experience. How in the world are we going to get experience if we do not pass this legislation, get the program, and get the fund started? What will be gained by postponing it for six months? Absolutely nothing.

Improvements can be made to the legislation in committee. This can be done by having discussions with those groups directly affected. We can certainly improve the legislation by experience in the utilization of it. The first

thing to do is to get the bill through second reading, adopt it in principle, and get on with the study. Bill C-41 is a welcome, significant and historic piece of legislation not only for Western Canada but for the whole of Canada.

● (2050)

Mr. Korchinski: Would the hon. member permit a question? Does he realize we are not asking for a six months hoist; we are simply asking for a little time in which to get some information from the farmers themselves?

Mr. McIsaac: Does the hon. member not realize that he can get all that information as we study the bill in committee? We can hear all the experts we like there.

Mr. Korchinski: Get the farmers involved!

Mr. Peter Elzinga (Pembina): Mr. Speaker, Bill C-41 seems to me to be a very complex way of getting at a simple problem, its goal being to protect the western grain farmers' income. What we are really after is price and market insurance.

Although I have a great deal of respect for the intelligence of the minister responsible for the Wheat Board, I sometimes wonder about his common sense. I feel the bill before us is lacking in what could be called an approach of common sense. That is why we in the Conservative Party feel its subject-matter should be referred to the Standing Committee on Agriculture before we proceed with second reading. In that way we would be able to hear those who wish to make representations before the bill passes second reading.

The purpose of Bill C-41, the grain stabilization bill, is to provide for stabilization of the net proceeds from the production and sale of western grain and to protect the producer from the ups and downs of the prices, and the quantities that move into the international market. This is as opposed to a crop insurance plan, which looks after the vagaries of Mother Nature.

It is generally conceded that by confining ourselves to practical farming methods already used by good farmers in different parts of the world, we could feed something like ten times our present population, and on a Canadian style of diet. This can be done only if the profit incentive is there for farmers to take the risk inherent in agriculture and to increase their output and productivity. But this must not be limited by the actions of the government.

The first question on this bill, of course, is: do we really need this new scheme for grain at this time, or is there some alternative course that we should take? The concept may be valid, and it may be needed for products such as eggs and fruit. But the question is: will it be administrable for grain without creating a bureaucratic structure that could overwhelm us? It is not the concept of the grain stabilization plan that is complex and unattractive; it is the operational and administrative features that require understanding.

It would seem, on looking through the notes on the western grain stabilization working paper put out by the government, that the main selection of criteria used was the cheapest plan for a given level of stability, and a plan that is actuarially sound. This, of course, in no way argues that it is an optimum plan for either government or producers.

The key question becomes: what stability is really provided to commercial western grain producers, and at what cost? That is, what are the costs and benefits from such a program compared to alternatives?

From the latest figures I have looked at, we can expect that about one-half of the commercial grain sales in western Canada would be covered by the $25,000 gross sales limitation, and there is no evidence that farmers with sales of $25,000 or less are in greater need of grain stabilization as opposed to larger grain farmers. Again, if the plan is actuarially sound, why use the $25,000 limit?

The bill appears to take the narrow view that the government is giving out money benevolently to provide some stabilization, and the level of the gift is the key focus. There are, however, direct and indirect benefits that the government receives as well as the farmers. For example, if a stabilizing net cash flow payment occurs, there is likely to be a four to five times multiplier effect on the prairie economy, and assuming standard tax levels it would seem the federal government would get back anywhere from $1.25 to $1.75 for every dollar it pays out. There is also the question of whether federal financial authorities might attempt or be able to deduct such payments from federal transfer payments to the provinces.

The point is that the program is unlikely to have a net cost to government at all, and therefore, as I said before, why have the $25,000 gross sales limit? Larger farm spending could be expected to have similar multiplier effects, so the question is: is the middle-size farmer the appropriate structural objective for western grain stabilization?

There can be lots of questions raised about entry, reentry, and getting out later, who administers the program, who pays for the administrative cost. One might also ask about the three-year system of calculating individual payout, which seems to penalize those producers who are expanding compared with those who are stable or are reducing.

So we go back to the first question: do we need this scheme? Certainly it was needed 20 years ago. However, when we look to the future, there are some questions. What we need now is a list of priorities. I suggest that labour disputes, transportation, high taxation, high interest rates, must be right at the top.

I personally think the alternative to this plan would be a crop insurance program administered by each of the western provinces, and we have a good basis for that now. We need a plan to take into account regional differences in the Canadian Wheat Board area, such as climate and soil type. This bill deals with the prairie economy as a whole.

Another danger to a plan such as Bill C-41 is that it tends to shelter the farmer from the marketplace. It is another block between the producer and the realities of the marketplace. There should be some provision for reassessing this program after three or five years. We can ask if farm-to-farm sales are to be excluded. Certainly, eastern grain producers will wonder about this plan. Are they interested in this scheme? What about grain fed on the farm? Does this qualify? There is no question that the economists who dreamed up this scheme have been look-

ing back, and that it is based on the past 25 years. Surely we can reasonably expect the next 25 years to be better for agriculture, so I very much question the actuarial basis, especially when the two key areas are Mother Nature and people.

One thing this bill will do: it will be a real red herring to cool the whole transportation and grain situation for the government. It will keep the farmers busy all summer trying to figure it out.

I am not aware of any producer pressure for this scheme. As I said before, we seem to be overwhelmed with pressing problems in the grain industry. I would like to see some of these solved before we move into these unknown waters. They include grain transportation, rail line abandonment, improved facilities on the Pacific seaboard and at Churchill, protein payment, development of a soft white wheat, a Chief Commissioner for the Canadian Wheat Board, a farm storage program, a government grain storage program, some tax relief, a registered retirement savings plan for farmers or ranchers, solutions to labour strife and industrial disputes, some effective chemical control for insects and wild oats, and general measures to prevent rural depopulation. When we consider the magnitude of past errors of judgment in the western grain industry there is room for lots of searching research here.

In closing I strongly recommend that the House support the amendment put forward by the hon. member for Grenville-Carleton (Mr. Baker), so that the committee may be able to travel and in order that western farmers themselves can supply input to this legislation.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am pleased to have the opportunity of speaking a second time on this bill as a consequence of the amendment. I hope the House will support the amendment; I appeal to members on the opposite side to do so.

● (2100)

I think most of us will agree that there is throughout the farm organizations, and certainly among farmers all across Canada, a desire to establish for themselves an income stabilization policy. Such a policy can be established in two or three ways.

One of the reasons why I am so interested in having the subject matter of the bill referred to committee is that I have little hope in the minister's response to suggestions to improve legislation of his in committee, regardless of what the evidence proves. There is little chance of acceptance of change by the minister.

I was interested in the remarks of the hon. member for Battleford-Kindersley (Mr. McIsaac) who has just taken his seat. I was pleased to note there was no rancor on his part regarding the minister and stabilization. I think the last time there was any agricultural stabilization he and his party members in western Canada felt the effects. If you remember, Mr. Speaker, at that time we were faced with a much more comprehensive bill than the one we have now; it was a $100 million carrot held out in Saskatchewan for election purposes.

The situation then was not much different from what it is now since an election will probably take place there this year. It was nice to have a bill just before the last election there so that the election could be fought on better ground. I agree that this bill is a better bill by a considerable margin than the previous bill, but I would suggest to the hon. member for Battleford-Kindersley that stabilization and the huge carrot held out last time were not to the advantage of his own party.

I was also surprised to hear the hon. member mention a matter that has not been referred to in the House for some time, and that is the bootlegging of grain. I was particularly surprised to hear him bring that subject up, knowing that he had been a cabinet minister in the Thatcher government at a time when most members of parliament here in Ottawa were of the opinion that the biggest bootlegger in Saskatchewan was Mr. Thatcher, the premier, who traded wheat for furniture and built up quite a bootlegging business. Not that there is anything wrong with bootlegging, Mr. Speaker, but it is a page in our history that we look back to and hope that it will remain in the past. As I say, I was surprised to hear the hon. member raise the subject, particularly in view of the connection it must have had with some of the people with whom he was fairly close.

The last time the stabilization bill came before the House no consultation was held with farm organizations and farmers. A number of economists and officials in the various departments concerned with the marketing of grain drafted a program in which a number of programs already in effect were eliminated. Most of them had been unsuccessful, with the possible exception of PFAA, which still has a fund of $9 million which is to be put to use under the terms of this bill. But with that one exception, none of these other carrots ever produced any advantage for the farmers.

It should also be pointed out that not only was an election fought and the stabilization act lost, but some court cases followed in which it was charged that in order to make his point the minister was doing things which were dishonest and illegal. It was amusing to see the minister recommending an illegality to accomplish a political end, yet this was the decision of the court, and at that time stabilization was dead.

At that time other matters were mentioned, one of which was cost of production indexing. The minister gave no consideration to that at all because it did not fit in with the nice, neat little bill that he had drafted. It might have interfered in some way with the structure that had been established. If the subject of this bill is referred to committee, it would be my expectation and hope that we would hear from farm organizations, those connected with the trade, and others. The subject matter of the bill does not only concern the farmers: as someone has mentioned, it also concerns the grain exchange, those brokers who travel across the world to sell our cereal products, those who are concerned with the tariff structure and the relationship between our exports and imports, as well as a very large segment of the Canadian economy, since wheat and cereal grains play such an important role in the export capacity of this nation. The effects of the bill spread far beyond those who just produce the grain.

If the subject matter of the bill is referred to committee we would be able to listen to the input of those who come before us. This would be before the bill was finally draft-

ed, and before the minister's position had become so inflexible that he could not possibly change anything in the bill without losing face. If there is one thing this minister does not like, it is to lose face by changing something.

The backbenchers in the Liberal party who are from farming districts know that this bill can be improved. It is not the only answer to stabilization. They know there are other factors that the farmers will put before the committee for consideration, and which have not yet been discussed. As the Canadian Federation of Agriculture has already done, farm organizations will probably give an indication that there are two forms of assistance that can be provided to give income stability, only one of which is outlined in the present bill.

I suggest that the whole country is going to be affected by this piece of legislation, not only this year but for many years to come. Unless we are to believe that the cabinet has all of the knowledge, that the farmers have none, that the farm organizations have none, and yes that, even individual members of parliament have none, then I would strongly urge the Liberal party, and its members particularly from western Canada, to vote against sending the subject matter of the bill to committee—in other words, to vote against the amendment. In the standing committee they will obviously be able to use their majority and will eventually get their way; it only becomes a matter of time. If that is what they wish, then obviously they should be opposed to sending the subject matter to a committee.

If they believe that such things as the stabilization of income for cereal producers in Canada, and its relationship to export and domestic sales of wheat and other cereals, with the effect this will have on production of livestock in western Canada and on any attempt to diversify production away from cereal grains in given areas of western Canada, are not important, then obviously they will vote against the amendment and will not send the subject matter of the bill to committee. However, if they feel this is a long-term proposition that is worth looking into, then I would strongly urge them to send the subject matter to committee.

● (2110)

I suggest that we are discussing a bill that is highly technical. We must first decide what type of stabilization we want. The hon. member for Battleford-Kindersley (Mr. McIsaac) said that no one else had set out an alternative. That is true. It would take considerable effort to do so. I give the minister full credit for having made that effort. Certainly the effort that has gone into the development of this piece of legislation has been considerable. This is probably a technically correct bill. The question I raise is whether it is correct as far as the agricultural community in western Canada is concerned, and that is what we would be discussing if we discussed the subject matter instead of the bill.

The Federation of Agriculture put out a paper on farm income protection. Its convention passed a fairly simple resolution which states in part:

Whereas provincial farm income protection plans are emerging as an approach to farm income stabilization and protection

Western Grain Stabilization

Be it resolved that the C.F.A. endorses the concept, and establishes the principle that the farmers of Canada must occupy a position in Canadian society that generally provides to farmers, net income and conditions of work at least equal to those conditions and incomes in society as a whole in terms of return to investment, managerial ability, hours of work and conditions of employment; and

Be it further resolved that the C.F.A. work to achieve national commodity income protection plans with a minimum of adjustment being required; and

Be it further resolved that any plan or plans meet at least the following policy.

To provide a price guarantee for farmers during periods of unfavourable market conditions based on cost of production.

The federation went on to set forth a number of methods. Having seen the legislation which is put forth, the federation outlined a number of alternatives to what is presented in this bill. What is being presented in this bill is really subsidization with the co-operation of the farmers and the government. When the prices fall and remain down over a period of time, the government makes a contribution.

Of course there are other types of protection. Most of the provinces, including British Columbia and Quebec, are looking very closely at another type which involves the cost of production, a reasonable wage for the entrepreneur and labour costs, all of which things would be reflected in the price in the marketplace.

British Columbia is operating this type of a program on the basis of allowing the British Columbia Federation of Agriculture to establish prices for commodities, which involves a detailed look at what they call model farm units. This is done through a negotiating agreement committee which makes a study in depth when establishing the cost of production. That is the way the province of British Columbia is handling income stabilization. This allows a great deal of flexibility and an orderly increase in the production of specific commodities as the ability to sell the commodity increases.

That federation is not in favour of establishing production quotas or controls which will regulate the degree of participation by individual farmers, or will place limitations on production. Personally I would like to go a step further in deciding how much of a product can be sold, and at what price. We should also calculate the cost of production.

When I hear people talk about stabilization and the danger of over-production I am reminded of what happens when you get a very good or a very low price for a commodity. I am reminded of earlier days working in a mine when we had a change from a 10-hour day to an 8-hour day. Many of the employees were asked, and agreed to work an extra two hours a day in order to get the extra money they needed. They felt the way to get this extra money was to work an extra couple of hours. They had done it before, so they wondered why they should not go back to the 10-hour day.

We did not let them work the 10 hours a day. We had established that an 8-hour day was sufficient. We decided that just because they could not earn the money they needed by working an 8-hour day there was no point in working the extra two hours. We felt it was much better to bring the pay up so the 8-hour day would produce a decent

income for those people. I think labour in general has taken that attitude.

We have been using a number of federal programs to stabilize agricultural products. I think anyone who is remotely connected with agriculture will agree that one of the bright spots in the history of agriculture was the stabilization of dairy products. This was not accomplished without difficulty. Some small dairy farmers have gone out of business. Cream production is non-existent in many parts of the country. In the main, dairy production has been stabilized and the prices have kept relatively level.

I suggest that if this industry had not been regulated and there had not been a willingness to put the right amount of money into the program at the right time, we might have been faced with one of two things. We would either have over-produced and had lower prices, or over-produced and had to buy the excess commodity with government funds, as we have always done in the past. This was not necessary because we were judicial in deciding on what the optimum prices should be. The government must be given full credit for having done this. This was done on a national basis, but it has not been an easy proposition. I think all those connected with the dairy industry will agree that it was only successful because all the farmers agreed to participate in the program.

You will find in Ontario, I am sure, that the majority of farmers will agree that industrial milk prices have been advantageously raised to a level that has not destroyed the fluid milk industry. In fact it has supplemented the fluid milk industry by making it possible for that industry to obtain a large source of supply. At the same time it has enabled the industry to provide good products to the consumers at reasonable prices.

If this stabilization bill is to be successful we will require the participation of all producers of the commodities involved. Unless we have that input to a program that is acceptable, it will not work. I am surprised to hear members in this House, particularly those on the government side, suggest that this program is not too good, that it is flexible and allows room for change, and that it will be changed shortly. I suggest that we should start off with an optimum amount of input from the farmers.

● (2120)

We should not look only to the bright little boys in government departments who may have a very good plan, but one which is totally unrealistic to the farmers who do the producing. While it sounds complicated to me I am sure those people who use a slide rule or calculator do not find the calculations difficult. However, the fact is that the farmer must know how it is done so that he will know whether or not he is satisfied. Any information I have is that the farmers have not been consulted at all. The last occasion was in 1971 and at that time they were very strongly opposed to it, even with the carrot of $100 million. Facsimiles of the cheques were sent out telling them how much they would receive. They still turned it down.

I think it is wrong for us to talk about the concept of agricultural stabilization in the cereal field at this time without having the full input of the farming community. We have not had a major farm conference for some time. I think we had one about ten years ago. At that time the farmers came down here and set forth a number of proposals which the government has been attempting to implement ever since, even though many of them are out of date.

It seems to me that if we do not have this kind of input from the farmers who are directly concerned, we will not have a stabilization plan that will be acceptable. Surely as members of parliament that is what we wish. If one looks around the various departments of the government one will see many whizz-kids of 22 or 25 years of age who are just recently out of university. There are many of these very bright young people in government departments. They are very competent in their fields, but they have one great disability. They lack experience. One cannot hold that against them because they will gain experience as they become older.

Most of us who are members of parliament have some limited experience, and should be in a position to adopt a program which we believe is the ultimate. Surely we want the best plan to stabilize income for agriculture. We are quickly running out of farmers. It has been mentioned that the average age of a farmer is well over 50.

Recently I witnessed a sad event. It involved a farm that was started up by a chap who came to the country when it was opened up. The son of this original farmer, who is now on in years and who has farmed for many years, has two sons of his own. The farm is a good operation. It has all the necessary livestock, implements, and necessities for farming. But this farmer sold the farm because the two sons took a look at it and said that they could get more money by working in a machine shop or in other employment off the farm. They said they would have every Saturday and Sunday off, and a number of paid holidays. They said that in this way they could take a few days off without being hurt too badly financially, and without allowing the cows to suffer. So we do not get young people on the farms.

This farm was sold to a buyer from Toronto who intends to hold it strictly for speculation purposes. He has offered to rent it to another farmer for the next year or two because he does not anticipate selling it again in that period. He has also bought eight or ten other farms.

The Acting Speaker (Mrs. Morin): Order, please. I have been listening very carefully to the hon. member and fail to see the link with Bill C-41. Perhaps the hon. member would speak on Bill C-41 now.

Mr. Peters: Madam Speaker, I am shocked at your lack of knowledge on the subject.

Some hon. Members: Shame!

Mr. Peters: We are really are not discussing the bill. We are discussing an amendment to send the whole problem of farm income stabilization to the committee without the bill, so that the subject may be discussed and representations heard in order to decide whether or not this is the kind of bill we should be implementing in respect of stabilization. I was indicating that the need for farm stabilization is obvious in view of the lack of income in the farming community today, which has resulted in very few young people going into agriculture.

The age of the average farmer now is increasing well beyond the half century in years, and unless we get additional farmers we will have serious difficulty not only in this particular field but in all fields directly related to agricultural production. I am sure the minister's advisers would agree that this bill is only one form of stabilization. The minister, of course, will argue that it is the ideal one for this purpose. The purpose of the amendment, however, is to have the subject matter, which is really grain income stabilization, sent to committee so that we may ascertain whether or not this is the proper route or whether another route might be suggested.

I have indicated I am doubtful that the minister will agree we should look at other forms of income stabilization, but I suggest we have already in the past looked at two, three, or four types of income stabilization in the agricultural field. The other stabilization bill involves a totally different method, and I am sure there are also others.

I have not spoken at all of the method that was used in the other stabilization bill. One form of that of course is deficiency payments, where the marketplace is allowed to play the full role and at the end of the year you calculate on your political basis, or your cost of production basis, or however you wish, the need of the producer in respect of that particular commodity to have a certain amount of money, and if the price of that commodity in the open market is not sufficiently high a deficiency payment is made almost always on a subsidization basis without any regard to premium paid by the producer. There are also other methods.

On a number of occasions we have used named commodities and have agreed that a commodity would be pegged at a level that would be a percentage of the actual cost of production and what would be necessary to keep the producer in business. In those instances we have made an offer of a percentage of the cost of production of the commodity, and have said that any amount they wish to produce we would buy. This has been done on a number of occasions, and in fact the largest expenditure in agriculture has always been in stabilization under the Agricultural Stabilization Act.

● (2130)

On numerous occasions we have obtained large quantities of surplus products which we had to dispose of eventually, often at a considerable loss to the nation. In all those cases, when the cost of production increases rapidly, to raise prices to the same level becomes futile because the input in production is usually considerably higher than the increase in the cost of the product. This is one of the major problems that we have to face, and we must face this problem in almost any type of stabilization program that we put into effect.

If this bill were in effect today and prices started to drop, the payment we would be making would be very high, but the income level would be dropping and we would be paying a premium on that loss to the farmer at the same time that his input cost for the production of the commodity was going up rapidly.

It is normal, when prices are low and income is based on a five year or any other average, that when prices start to increase farmers continue to have yet higher input costs. So that when the price of the product is low, input prices continue to go up and are never below the five year average. The farmer will be paying premiums, but he will not get any benefits because the market price may be going up gradually.

It seems to me that there are a number of ways in which the problem of stabilization can be solved. This is a very important subject, probably the most important subject that agriculture has ever faced. Farmers do not have the advantage of the strike weapon, they cannot withhold their product from the market. Also, it is impossible to organize a boycott among farmers. I remember one time when, in an effort to get a better price for fluid milk, producers organized a meeting at which they discussed what they needed to do to stay in business. I suggested to them that the way to go about it would be to dump their milk, thus creating a shortage on the market. Immediately the farmers asked, who will pay for the milk?

When a labourer goes on strike, he knows who will pay for it—he will. But when the farmer was asked to withhold his product—

Mr. Horner: The farmer had already milked the cows.

Mr. Peters: That is true. The hon. member for Crowfoot (Mr. Horner) has made a very good point. His labour had gone into it, but in the other case, the guy just hung around. However, whether or not a man has worked, he has put in his eight hours, so their losses were somewhat the same.

It seems to me that that is not the way in which prices can be maintained by Canadian farmers, that withholding their products is not the right way. I am sure every member of the House is well aware of the fact that if farmers adopted that method, there would be a shortage of food in all parts of Canada and we would all suffer.

Farmers should have no complaints about the actions of Canadians in general with regard to them because the Canadian population has been willing to support agriculture, and on many occasions to stabilize farmers' incomes. They have done so gladly and without reluctance. In return, farmers have had to pay a very severe price, namely, a loss in their income.

In bringing forward this legislation the minister has put forth a method by which grain production can be stabilized. It is true that it has many variables and that large sectors of producers in western Canada might find themselves making no deliveries and no sales. Yet, under this bill, if the other areas receive a good price for their commodity, a price which meets the criteria established in the bill, then no pay-out takes place anywhere. It is possible that if grain production is good in Assiniboia, in the Palliser triangle, and in other extremely productive wheat producing areas where number 1 wheat is the rule rather than the exception, the remaining three quarters of the prairie region which on many occasions produce substandard grain whether it be because of frost, hail, or grasshoppers, will get nothing for their product.

An hon. Member: That is not so.

Mr. Peters: I suggest that probably the hon. member is right because no farmer will agree to a bill under which the whole prairie region would be taken as one area. I am sure that every farm organization that comes before us will agree with the minister from Assiniboia that it cannot be that way, and that the regions must be divided into districts which would be about the size of the PFAA districts, and that they would number 15: one in western Ontario, one in the Peace River country, one in British Columbia, and the remainder in the major producing areas.

I suggest that that is not in the bill and it is an obvious deficiency to anyone who looks at the bill. I am sure that the young whiz kids who drafted this bill were more interested in the form than they were in facts.

This reminds me of a meeting which I attended—and this is not on the subject before us. A number of bright young people from Toronto came to a small community numbering 500 people and presented a plan for which the Ontario government paid $40,000. It brought many benefits to the community, but the plan would have suited better the new city of Pickering. It was done by excellent planners and it would have developed any city of approximately 100,000 people. The program was totally unrelated to that small community. Similarly, I suggest that much of the bill before us is totally unrelated to the reality which is well known to the farmers. I sincerely hope—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

● (2140)

Mr. Doug Neil (Moose Jaw): Madam Speaker, I welcome the opportunity to say a few words in the debate on Bill C-41. I was not in the House when the minister introduced the bill, but I did have the opportunity to read his speech. I hope he did not strain his arm as he patted himself on the back for the programs and planning he claims he has developed or is developing to put grain farmers on the road to prosperity.

Bill C-41 is entitled: "An act respecting the stabilization of net proceeds from the production and sale of western grain . . .". The history of grain production in the west is one of instability in the thirties and the early forties, caused by drought and grasshoppers. These were acts of God. There was really no means by which the producer could control those hazards. Since then, while there have been dry periods and hoppers, there have been new developments in the field of farm machinery, there are new farming practices, new chemicals to control weeds and hoppers, and these have enabled the farmer to increase his grain production so much that the annual average yield per acre has increased over the long term average by as much as 10 or 15 bushels per acre in some areas.

In the last 10 or 15 years we have been producing a substantial amount of grain every year, with the exception of the year we had the LIFT program. Basically, production is not really the problem in the west. Our problems are primarily man made. They are problems of inadequate or poorly planned transportation systems, labour disputes, strikes both with the railway company on the west coast and amongst the longshoremen, and a lack of salesmanship. If we can solve these problems that will take most of the instability out of grain production in the west. We must solve these problems.

The lack of an international wheat agreement has and will continue to lead to instability. Many parts of the world are faced with starvation. Surely as a producer of cereal crops it is Canada's responsibility to help feed the starving world. I am not suggesting that we give this grain away, but I am wondering what we as Canadians have done to work out an international wheat agreement with other producing countries of the world. What are we doing to make satisfactory financial arrangements with some of the underdeveloped countries in order to help them in their plight?

As the hon. member for Grenville-Carleton (Mr. Baker) said, the bill before us is complicated. I sometimes wonder who drafts the legislation which is presented. When I started practising law some 20 years ago one could pick up the statutes of Canada, or the statutes of any of the provinces, and any layman could read those statutes and understand them.

An hon. Member: You've got to be kidding.

Mr. Neil: This is a fact, if you will go back that far.

Mr. Cullen: Did you ever read the Succession Duty Act?

Mr. Neil: Yes. It is fairly simple compared to the legislation before us. Every piece of legislation I have seen come into this House since 1972 has been complicated. The only legislation I have seen in the last three years which a layman could understand is the Corporations Act. Someone with some sense drafted that legislation.

The hon. member for Grenville-Carleton read clause 6 of the bill. That clause is simple compared to clauses 9 to 11 inclusive. When I first saw the bill I did a careful study of it, and I did relatively well in understanding what it meant until I reached clauses 9 to 11. I sat down with a pencil and paper, as did many of my colleagues, in an attempt to try to understand what those clauses meant, and it seems to me that unless one has a computer or has studied higher mathematics, it is an impossibility to understand what it is all about.

Perhaps the minister has access to a computer or to someone who has studied higher mathematics. He did give some examples in his speech in the House. He spoke about benefits if the plan had started in 1965 and carried on until 1975. He spoke of the amount of benefits a producer would receive for the period 1968 to 1971. Presumably he was working on the basis that the producer had contributed the maximum for the years 1966, 1967 and 1968. But what would the payment be to the farmer if we started in 1975 and the net cash flow for each of the next three years was below the five year average? This is something hon. members should know, and something members of farm organizations and individual farmers should know so that they can study the bill and understand it.

There has been the suggestion by hon. members on this side of the House that the stabilization bill should be tied into the Crop Insurance Act. The minister has said that this is impossible. I believe that it is possible and that it

can easily be done. It needs some study, perhaps, but I sincerely believe that the matter of combining the stabilization bill with the Crop Insurance Act should be seriously considered.

The bill as it stands covers the whole of the Canadian Wheat Board area. I can visualize many areas over the years where no payment will be made under this legislation where there will be crop failures, perhaps due to isolated areas of drought, hoppers, Bertha Army Worms and other problems, but the Wheat Board area as a whole will have an income which will prevent payment out to these areas.

It will be like the PFAA program when for many years it worked on the block system. There were many instances where farmers with good crops received benefits because the average of the area they were in was low. There were neighbours across the fence who had no crops year after year, but they were in an area where the average was high, and they received no payment. I know, because I lived on a farm which was on the wrong side of the fence.

I submit that the administrative machinery is in place under the Crop Insurance Act to administer a program such as this. The minister has not told us what it will cost to administer this legislation. Will there be a duplication of inspectors? Will the inspectors under the Crop Insurance Act come to the farm one day, and will the inspectors under the stabilization program come to the farm the next day to measure the same bin and perhaps arrive at a different figure? I see the minister smiling.

Mr. Lang: May I ask the hon. member a question?

The Acting Speaker (Mrs. Morin): Will the hon. member permit a question?

Mr. Neil: Yes, Madam Speaker.

Mr. Lang: I wonder whether the hon. member can tell me how he develops the fear that any bin measuring is required at all. As I read the bill, everything depends upon the sales of grain. Some of his colleagues may have spoken about on-farm transfers, which were in fact not put into the bill because of the administration which would be involved. There is no necessity for the bins at all. I would like the hon. member to point out where there is any such necessity.

● (2150)

Mr. Neil: In response to the minister, Madam Speaker, I would point out that the bill calls for a year end inventory, and it would seem to me that an inventory would require the measurement of the grain on the farm.

Mr. Lang: Where is the inventory?

Mr. Neil: I would assume the inventory is in the farmer's bins.

Mr. Lang: Nonsense.

Mr. Neil: Where is it?

Mr. Lang: It is not in the bill.

Mr. Neil: Unless the bill has been changed since it was first presented or since I last read it—in any event, Madam Speaker, I do not have the time now to read the bill through, but I will be happy to dig out the particular section and send a note across to the minister later.

I wonder if the minister is afraid to combine this stabilization plan with the crop insurance program. Is he concerned that, because the crop insurance is administered provincially and the stabilization plan will be administered federally, the provinces will get the credit?

Stabilization of income for the western grain farmer is important and essential. It is important that the program be effective and not one that just tosses out a few dollars to the farmer, particularly at election time. I think that the bill should be referred to committee for study and that the minister and officials of his department should appear and give open and frank answers to questions raised by the committee. That information should be fed back to farm organizations and individual farmers. There must be thoughtful study in order that the plan may be workable if it is adopted.

It must be a plan that is as free as possible of red tape, and it must give real stability. It must also be a plan that the producer wants, and that he is satisfied with. It must not be forced upon the producer in the west, because he is an independent person who wants to make his own decisions and not be dictated to by anyone. He is suspicious of government and suspicious of bureaucrats—and who can blame him?

A producer in my riding handed me a news report from the *Western Producer* of April 10 when I was home last week, which reads as follows:

> Wheat Board Commissioner R.M. Esdale announced April 4 that all quotas on durum and the top three grades of red spring wheat will be open until May 16, when they will terminate.
>
> Mr. Esdale said the quota changes are necessary to ensure that remaining on-farm supplies of high-grade wheat are delivered into the elevator system between now and mid-May, to meet immediate export requirements at both east and west coast positions.
>
> "With the recent resumption in export shipments out of the west coast and Thunder Bay, every effort must be made to compensate for the delays we have experienced over the past few months," the commissioner said. "This means that the grain needed to fulfil sales commitments must be moved forward as quickly as possible."

The producer told me that he had the grain, and would like to deliver despite the fact that he was in the process of getting his machinery and his farm ready to seed. But the roads have a ban on them, Madam Speaker. The provincial government will not permit the trucks to travel on the highways, so he cannot deliver. He asks, "Am I to be cut off at May 16 and not allowed to deliver any more grain?" The western grain producer does not take kindly to threats, Madam Speaker. He was threatened by the minister under the LIFT program and told, "Cut back on your grain production or you will have a cutback on your quota." In this case it is, "Deliver by May 16 or you will be cut off—you cannot deliver any more grain this crop year".

The western grain producer is a smart businessman. If left alone and not threatened, not given bad advice, he can operate a good and efficient business. He, and he alone, can tell this government and this minister what kind of stabilization program he needs and what type of program will be efficient. Let us give him a chance to have an input.

We are asking that this bill be not now read a second time but be referred back to the committee in order that the individual producer and the farm organizations can have an input. The committee should travel. There is no point in a committee meeting only in Ottawa and, only organizations appearing before it; there must be the individual input as well.

I would therefore ask, Madam Speaker, that members on both sides of the House support the motion of the hon. member for Grenville-Carleton (Mr. Baker).

Mr. J. H. Horner (Crowfoot): Madam Speaker, in rising to take part in the debate on the amendment now before the House—

An hon. Member: It is a filibuster.

Mr. Horner: When the hon. member speaks of filibuster it seems that Liberal members of this House of Commons are so eager to get legislation passed that they forget the purpose of parliament. Parliament is to represent the democracy we still have in Canada.

The amendment which is proposed commends itself to all members of this House. When one studies the track record of this piece of legislation—and I say this to the new members who were not here in 1971—one realizes that the farmers were actually saved money in 1971 by parliament not passing the bill that was then before the House. The minister in charge of the Wheat Board is a great mathematician, so if I am wrong in that statement I am sure he will rise tomorrow and prove it. But I know he cannot, Madam Speaker.

In 1971 the House of Commons saved money for the farmer by not passing a piece of legislation similar to that which is before us now. If the minister in charge of the Canadian Wheat Board had brought in operation LIFT as legislation instead of by order in council and regulations, members who were here at that time could have saved the farmers' money by opposing and defeating that legislation. The minister did not have the farmers' point of view when he brought in that earlier legislation.

May I call it ten o'clock, Madam Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—GOVERNMENT ACTION TO RESTRUCTURE RELATIONS WITH DEVELOPING COUNTRIES

Mr. Douglas Roche (Edmonton-Strathcona): Madam Speaker, if we have learned anything in the past year, especially from conferences conducted by the United Nations on the subjects of energy, population, food and the Law of the Sea, it is that all of these problems are not diminished but are interlocked and required an interlocking solution.

It is no longer enough for us to consider unilateral solutions to problems which cross national frontiers and are global in character. We need a comprehensive policy by the countries known as the developed countries, in which we bring together reforms of our trade and international monetary arrangements, our foreign aid programs—all of these things must come together. I think this is one of the things we have learned.

It is not enough for us just to consider CIDA, important as that agency is, and which the Standing Committee on External Affairs and National Defence is now considering. Certainly CIDA needs to be investigated and there are things which the committee needs to highlight, but it is wrong to think that only an examination of CIDA is enough to repair the damage done to the poor nations or the world.

Today I put a question to the Minister of Finance (Mr. Turner), who has just returned after acting in his capacity as chairman of the International Monetary Fund. I asked him about the situation concerning the recovery of the industrialized nations, the rich nations of the west, from the excessive prices that we have had to pay as a result of the quadrupled oil costs of the past year or 18 months, because the International Monetary Fund reported that the industrialized nations have been able in this very short space of time to come back. We have recovered.

● (2200)

The minister responded to me that the situation with the poor countries of the third world is still desperate. It is as it was before. That illustrates my point. Despite all the CIDA aid and other aid of the developed countries to the developing countries, that aid was wiped out because of the escalation of energy costs which has resulted in those countries being unable to buy sufficient fertilizer. It has led directly to famine situations in Africa, India, Bangladesh and other countries of Asia. In short, what do we have?

I wish to quote from a brief presented to the Standing Committee on External Affairs and National Defence from the Canadian Council for International Cooperation. I quote:

> No real solution of the food problem can be found unless fundamental social reforms are initiated that will allow the weak nations to share with the powerful in political power and the control of resources. In some way, CIDA could become the government indicator showing the way toward a new international economic order. Along the same line, non-governmental organizations are convinced that they can contribute new thinking. But, to this end, it would be necessary to cut the ties of dependency of the poor on the rich, and recognize that external aid can no more be considered the primary element of Canadian policy toward the third world.

That is where we are now. That is why I asked the Prime Minister (Mr. Trudeau) back in March if he would support the suggestion of a permanent sub-committee of the Standing Committee on External Affairs and National Defence to consider international development because of the need for a long-range comprehensive policy that gets us beyond just foreign aid. The Prime Minister said at that time he would welcome suggestions and input from all members of the House. When I put the same question to

the Secretary of State for External Affairs (Mr. MacEachen) in committee, he said he would not oppose it.

Because of the special session on development which the United Nations will hold in September when these problems will come into their proper focus, and this is something for which Canada is now preparing a special policy stand, the time has come for the members of this House to share in the development of a Canadian policy that will reflect a comprehensive way in which the Canadian government can take a leadership role internationally to do that which will go beyond what we have done this far.

I believe the members of that committee are ready to move in this direction. I believe that would be the most constructive way in which we could help to reduce the dependency of the poor countries on the rich countries.

There must be new structures worked out for social reform. It is not enough just to have an interdepartmental committee on economic relations with developing countries. That is quite a mouthful. It is a committee of officials from the various government departments who are meeting to draw up this comprehensive policy about which I am speaking. It is not enough just to have officials from the various departments concerned with Canada's new role internationally, about which the Prime Minister is speaking at the Commonwealth Conference and about which the Secretary of State for External Affairs is speaking.

There are members on the external affairs committee who want to share in the development of the Canadian policy. We can do the same kind of job that was done when there was the special committee on international development at the time of the total foreign policy review in 1970. Many things have changed throughout the world in the short space of five years. We now see the hopelessness of single actions by countries which are not responding to the full approach of the United Nations' desire for a comprehensive policy. This is the way Canada can move ahead.

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Madam Speaker, I am pleased to have an opportunity to respond on behalf of the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Breau) to the question from the hon. member for Edmonton-Strathcona (Mr. Roche) concerning co-operation between the developed countries and the developing countries of the third world. This is certainly a very appropriate time for such a matter to be raised having regard to the role and activity of the Prime Minister (Mr. Trudeau) at the Commonwealth Conference now going on in the Caribbean.

The concern of the government to ensure that developing countries are able to derive greater benefits from their participation in international trade, investment and finance was indicated very well in the Speech from the Throne where it was stated that Canada's contribution would involve us not only in increasing the flow of financial assistance through developing countries but also in re-examining other policies which affect our economic relations with the third world. The Prime Minister reiterated this concern in London.

The interdepartmental committee on economic relations with developing countries was established by ministers at the suggestion of the Secretary of State for External Affairs (Mr. MacEachen) to carry out the re-examination of those other policies which affect our economic relations with developing countries. The policies in question fall in the areas of tariffs and trade, investment, the provision of appropriate technology, and financial and monetary policy. They may also touch on questions of transport, energy, resources and agricultural development. The committee is pursuing a continuing review of these policies from the perspective of the bearing they have on Canada's over all relationship with developing countries.

A number of international meetings in the future, at which issues of importance to the developing countries will be discussed, will afford Canada the opportunity to consult with both developing and developed countries with a view to taking appropriate action to respond to the needs and aspirations of developing countries.

MANPOWER—OPPORTUNITIES FOR YOUTH PROGRAM—PROPOSED CONTROL OF GRANTS ON A CONSTITUENCY BASIS

Mr. Allan B. McKinnon (Victoria): I rise tonight to follow up a question I put to the Minister of Manpower and Immigration (Mr. Andras) on March 24 concerning the Opportunities for Youth program. My question was:

> Given the fact that the consideration and granting of OFY grants through the use of management area advisory groups is suffering from a lack of information, advice, control, and any indication of managerial competence on the part of his department, is the minister giving consideration to allotment and control of OFY grants on a local constituency basis where the advisory group would at least have some knowledge of the project being considered?

At this point the record reads:

> SOME HON. MEMBERS: Hear, hear!

I might say that the hon. members who applauded my question were mainly Liberal backbenchers. The minister replied—I will excerpt parts of what he said:

> We do not have the sound statistical base in such detail as to be usable for OFY allocations at the constituency level . . . . From that stems the problem of having to make allocations in a broader geographical area, such as labour management areas where the consultation process takes place. Also, it was a choice between giving hon. members the opportunity to name people with whom we would consult or arbitrarily, as in the past, have the people with whom to consult in the community selected by the departmental staff.

This is an attempt to excuse a shocking method of dispensing public public funds. I am reminded of the days when Jimmy Walker of New York City was caught the same way. His reply then was: "There comes a time in politics when a man must rise above principle." This seems to me to be what the minister was attempting to do.

● (2210)

Last fall or winter I received a direction from the minister to select two members for this advisory committee from among my constituents, and I did so. Another direction was that one member should be under 25 years of age, and I was fortunate to be able to select two very competent people. This administrative area group comprised five constituencies. We expected there would be ten delegates or members of the committee. I found out, somewhat

to my surprise, that there were the two from my constituency, one from Esquimalt-Saanich, none from Nanaimo-Cowichan-The Islands, none from Comox-Alberni, and none from Coast-Chilcotin. So this group was filled in by the Department of Manpower which appointed delegates that it knew, and the members it appointed were largely those people who had had OFY projects the previous year.

The pair that I sent to the committee meetings came back to me somewhat horrified after the first or second meeting and said that fantastic things were going on. There was, to them, this large amount of money, and to me it is a large amount of money, some $750,000, and they had not been given any advance notice or copies of the project summary sheets. Consequently, on the night of the first meeting they were handed hundreds of these sheets and were expected to start getting ready to make decisions regarding disbursements of taxpayers' money on this basis.

I could see no way out of it at that time so I encouraged these two people to continue going to the meetings, and they did so. But the difficulty was compounded by the enormous distances involved. For example, one constituency, that of Coast-Chilcotin, is on the mainland of B.C., and I suppose the closest point from my constituency is 80 to 100 miles away. Yet my representatives were expected to vote on projects submitted from Coast-Chilcotin without their knowing the people involved. In fact, they were fortunate if they knew the people involved in projects submitted from Victoria.

Let me point out that the summary sheets which they received, some of which I have, were models of brevity, certainly not models of any method known to mankind for giving information to other people. I have one in front of me. The name of the applicant does not matter, but this is the entire project description: "The objective of this project is to create a film on the concept of dance improvisation as an art form". I am told that there were five participants, the total work weeks involved amounted to 48, and the salaries to $5,280. With this scarcity of information the people on the OFY committee were expected to allocate funds. It is expected of the people who were appointed to these committees that they would give final advice on this kind of project.

It may be a great thing politically for the Liberal party to be able to disburse vast sums of money. But they need fall guys, and that is where we MP's come in, to take responsibility for the bad decisions. I suggested at one time that we should say we do not want any of this money so we can save the money of the taxpayers, but that just would not happen; the other four constituencies would get that many more projects. So our hands are tied. We cannot save the taxpayers' money, and we have to go along with this idiotic way of disbursing funds.

There may well be some good OFY projects; indeed I am sure there are. I have nothing against the basic concept of trying to get young people into the work force. They have a lot of good ideas, but how on earth are we expected to judge the good from the bad on the information provided? I have a booklet that lists the previous year's projects, but once again there is no information about whether any given project was any good or whether it was in fact accomplished. All we know is that the money was paid out. The book contains hundreds of projects. For example, this is the one for Ganges:

Ganges—Salt Spring Youth Activity Centre (4X 1339) To provide a recreational and education experience for children on Salt Spring Island: $9,523; Jobs—12; Linda Stafford, Rainbow Road, 537-2937

The people on the committee could not tell whether that project was ever carried out, whether it was considered a good, bad, or indifferent project.

If the OFY is to go on, Madam Speaker, and to get the support of the community which the projects may well deserve, then we must have some kind of management procedures that will bear some resemblance to reality.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Madam Speaker, I am very pleased to be able to reply to the hon. member. I should like to explain first of all why the management area advisory group system was introduced under this year's OFY program.

It had not been in existence before and was created as an offshoot really of the constituency advisory group instituted under the Local Initiatives Program. This type of consultation had been very successful, and it was thought that some sort of system like that would be appropriate under the OFY program. We needed to have community input and we needed to set up priorities, and we needed somebody who knew the local situation.

With regard to the comment of the hon. member that there were people on these advisory groups who had no knowledge of certain areas in which they were asked to make decisions, that of course was true. Then, of course, members of parliament are really in that same boat. An hon. member for British Columbia quite often has to make decisions in this parliament with regard to the Atlantic area, Quebec, or other areas of Canada with which he may not be totally familiar. In that sense I suppose democracy is a system which has faults, but is still the best system we have devised so far.

There may be refinements of the management advisory group, but this was an effort at least to involve local people in the decision making process. While it might not have been absolutely perfect, I believe it did have some sucess. It certainly did in my area, and the people I recommended to my own advisory groups I believe were quite satisfied that they were able to achieve what they set out to achieve.

Since the OFY program is aimed at a very special segment of the population it was deemed necessary to set up these advisory groups on the basis of management areas. As the minister said initially, we did not have the statistics available at the constituency offices to set up advisory groups in the same way we did with LIP.

Under the management advisory group system, representation can be made by people selected by the member of parliament and, of course, I should point out that an MP still gets the chance to make his own personal representations to the minister. If there should be somebody on the advisory group who does not know parts of the constituency, the MP having a knowledge of the whole constituency can make his representations to the minister on a very sound basis with very sound knowledge.

As the management area advisory group system is an experimental process, and because the program by its nature must operate within very restrictive time frames, some administration problems were to be expected. However, I would think that—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired.

POST OFFICE—ALLEGED LACK OF AUTHORITY FOR SALE OF NON-POSTAL ITEMS—GOVERNMENT POSITION

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I am at a bit of a loss to know whether I should commence my argument when there does not seem to be anybody on the other side to reply, although I received a note a few minutes ago from the hon. member for Lachine-Lakeshore (Mr. Blaker) indicating that he might answer. If the Chair wishes I will proceed.

On Friday last I asked the Postmaster General (Mr. Mackasey) a question concerning an operation of the Post Office, and I should like to read it into the record. It is:

Since the Auditor General has again criticized the Post Office for selling non-postal items to the public without parliamentary authority, a practice which continues today, will the minister tell the House why this program was entered into without proper authorization and why suitable accounts had not been established to determine whether or not the program was profitable?

The minister replied on that day:

—a better authority on the subject is the deputy minister, who has appeared before the miscellaneous estimates committee to explain precisely the reasons for this. I assume the minutes are available. If I am wrong, I will find out for the hon. gentleman and report back on Monday.

At the time I was unable to ask a supplementary question which would have been in these terms: Why have steps not been taken to obtain the approval of this House for the program with which the Post Office is proceeding?

● (2220)

To give the House a little background I would point out that the Auditor General in his 1972 report first mentioned this problem. He referred to the marketing branch of the Post Office which had set up this program. The Auditor General said it involved the creation of 177 new positions, and was established in March 1971. He further stated that in addition to the sale of philatelic and other postal items the branch embarked upon a program of sales to the public of a number of miscellaneous items such as coin sets, commemorative spoons, and so on. He also observed that there are no established policies governing sales, inventories, or other facets of the activity.

Furthermore, he said whether or not the program was profitable in 1971-72 could not be determined as suitable accounts were not established for the activity, and over-all operating statements have not been prepared. The Auditor General suggested that the Deputy Postmaster General seek the opinion of the Department of Justice, and concluded his remarks by saying the department had included proposals for legislative action for the 1973 session by additional provisions in section 5 of the Act.

A comment in terminology similar to that of the 1973 Auditor General's report appeared again in the 1974 report as follows:

We questioned whether this fell within the powers of the Postmaster General.

Then the report continued:

. . . it could not be determined whether the program was profitable since suitable accounts had not been established and over all operating statements had not been prepared.

It concluded:

A suitable financial reporting system to determine profitability by product has not yet been established . . .

Three years in a row this situation has continued. The Deputy Minister appeared before the Public Accounts Committee and, although section 5 of the act gives wide powers to the Post Office but does not give the power to sell at retail non-postal items, the Deputy Minister suggested the section did give that power. There is no way a layman could interpret it in that manner.

Furthermore the minister said that a better authority is the Deputy Minister. Surely someone might argue that there is no better authority than the minister himself. The Deputy Minister told the Public Accounts Committee that he was afraid he could not answer on behalf of the Postmaster General. Now we have a minister telling the House that the best authority is the Deputy Minister, and the deputy minister is telling the committee that he cannot answer for the Postmaster General.

I should like to refer to the minutes of that committee for a moment. This meeting was held last Tuesday, April 29. The deputy minister admitted that their legislation did not cover the powers they were using, and said that they would in fact prepare legislation to be more specific concerning what this might mean. He went on to say that it is their intention to introduce a bill as soon as they can, and added that unfortunately he could not dictate government priority. Finally after persistent questioning he said it has not reached the House because it never reached bill stage.

He said the motive was profit. They wanted to reduce the deficit of the post office, in other words, produce a little profit. He actually said, "to increase the revenue which actually reduces the deficit". Well, now, it is obvious if one wants to produce a profit and determine whether or not one is producing a profit, one needs to provide the proper accounts. The Auditor General observed at the committee just last week that the Post Office was not authorized to do this anyway, and they agree with that. He continued by saying that there is no way to determine whether or not a loss is being incurred, but if a loss is being incurred he said he thinks it is fair to say this is an unauthorized drain on the public purse. The Public Accounts Committee in its fifth report stated:

. . . a government department should not initiate or take any action that is not authorized by Parliament even though it contemplates that Parliament may eventually take action to provide that authority. It considers that the actions of government departments must be limited at all times to the legislative authority existing at the time the action is taken.

If there were any doubts that the Post Office was continuing to carry on with this unauthorized practice, let me read from the most recent list of products the Post Office

is offering for sale, and it includes mint sets dated 1975. In addition to that, there are some strange things called—

The Acting Speaker (Mrs. Morin): Order, I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): Madam Speaker, I am happy to reply to the hon. member on behalf of the Postmaster General (Mr. Mackasey) with regard to the selling of retail items through the Post Office. He has asked why the Post Office entered into these transactions. In 1970-71 when the Post Office embarked on a program of offering for sale certain items through some postal outlets, it did so in the belief that it had the authority under section 5 of the Post Office Act. I should like to read from that section which states:

> 5(1) Subject to this Act, the Postmaster General shall administer, superintend and manage the Canada Post Office, and without restricting the generality of the foregoing may—
>
> (c) Establish and operate a system . . . and such other services and systems as he deems necessary or advisable for the efficient operation of the Canada Post Office.

Subsequently the Post Office encountered a difference of opinion with the Auditor General who took the approach that unless the Post Office had specific authority for these sales, it was in fact limited to the activities mentioned elsewhere in section 5.

In the interest of clarification, the Post Office proposed to introduce legislation which would set out specific authority for the sale of what it termed "postal related items". The nature of this legislation would be similar to that included in Bill C-196, an act respecting the 1976 summer Olympic games recently approved by parliament. This legislative amendment, however, was not regarded as a priority item by the government and has not yet been tabled for parliamentary consideration.

Since the Auditor General has registered his concern, the Canada Post Office has restricted its retail operations to convenience postal items related to its philatelic service, or encouraging better packaging, or supporting other government operations.

The government, in tabling proposals for legislative consideration, has devoted attention to matters that were regarded as having greater priority.

With regard to the adequate accounting system let me say that a system of accounting was not introduced which would reflect a full allocation of costs to these convenience items. The department considered that sales of these products would not result in an increase in overhead costs. Consequently the pricing on these convenience items during the initial period was limited to the direct or out of pocket costs plus a mark-up representing a contribution to overhead. The department has since taken steps to introduce an improved form of reporting.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, May 6, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

PROPOSED REFERENCE OF FUNDING OF NATIVE AND ENVIRONMENTAL GROUPS TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact recent statements in the House by the Minister of Indian Affairs and Northern Development (Mr. Buchanan) have undermined native participation in the Berger Commission, and in view of the fact that Mr. Ian Scott, counsel for the Berger Commission, has stated that the inquiry was advised by the Department that the minister does not wish to support environmental organizations through the inquiry's operating budget, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the critical matter of funding for the native and environmental groups be referred immediately to the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and requires unanimous consent of the House. It there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

SUGGESTED AMENDMENT IN SENATE OF BILL TO INCREASE MEMBERS' SALARIES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43 which is of urgent and pressing necessity. The urgency has to do with the state of our economy and also the need to establish the credibility of the leadership being given at this time. I therefore move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

That this House calls upon the government to instruct the government leader in the Senate to propose an amendment to Bill C-44 imposing a limit on any increase under that bill of 12 per cent or $2,400, whichever is the lesser.

Mr. Speaker: Order, please. The House has heard the motion. It being proposed under Standing Order 43 it cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR CANADA

REQUEST FOR INQUIRY INTO EFFECTIVENESS OF MODIFICATIONS TO DC-9 AIRCRAFT—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a motion under the provisions of Standing Order 43, namely that an Air Canada DC-9 on flight 223 departing from Ottawa at 2.35 p.m., May 1, destined for Winnipeg and Regina, was abruptly returned to Ottawa airport due to faulty equipment in the depression components, causing upheaval in the luggage compartment and concern to the passengers. I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That this House instruct the Minister of Transport to conduct an inquiry into the efficiency and effectiveness of the 21 modifications performed on its fleet of DC-9 aircraft by Air Canada.

Mr. Speaker: Order! The motion being proposed pursuant to Standing Order 43, it requires the unanimous consent of the House before it can be debated. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL PARKS

REASON FOR ALLEGED SUPPRESSION OF FIRE COMMISSIONER'S REPORT CONCERNING DANGER OF BOAT FIRE DURING LOCKING PROCEDURE ON CANALS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion which is self-explanatory. In view of the existence of a report labelled "Restricted and Privileged" made by the Dominion Fire Commissioner and submitted on October 2, 1974 to Parks Canada, which declares in part, with reference to all canals operated by the Department of Indian Affairs and Northern Development, that a boat fire occurring any time during a locking procedure would bring a major loss of life, and which makes four specific essential recommendations for immediate adoption for human safety, the House requests the Minister of Indian Affairs and Northern Development (Mr. Buchanan) to make a statement as to why

this report has never been made public, why the recommendations contained therein have never been carried out, and assuring the House that immediate steps will be taken to remedy this shockingly dangerous situation.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43. It cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—PRESENT STAGE OF DISCUSSIONS SEEKING CONSENSUS ON RESTRAINT—STAGE AT WHICH MINISTER MIGHT PRESENT HIS VIEWS TO ORGANIZED LABOUR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. In early April he advised the House that the first stage of the consensus talks was over. Yesterday the minister alluded to the idea of a final stage of the discussions. Would the minister tell the House whether we are now witnessing the middle stage of the discussions and, if that is the case, how long will this non-defined middle stage continue?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I said yesterday that if it appeared that there was a possibility of getting into the final stage by the end of the week, the final stage would be concluded by the end of the month.

Mr. Stanfield: A supplementary question, Mr. Speaker. I recognize that for the Minister of Finance, of course, all the world has become a stage and he will understand that I am only trying to play my part.

Some hon. Members: Hear, hear!

Mr. Stanfield: In view of the minister having said yesterday that if he accepts an invitation to sell his consensus program to organized labour it would be at a later stage, I should like to know whether that would be part of a new stage, whether it would be part of the final stage, or is it some undefined stage of some other stage?

● (1410)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I said yesterday that if the leaders of organized labour felt it would help matters after their meetings today and tomorrow, I would be quite willing to appear before them to do what I could to explain the process.

[Mr. Cossitt.]

INFLATION—LACK OF PRECISION IN GUIDELINES FOR RESTRAINT TO SECTORS OTHER THAN LABOUR

Hon. Robert L. Stanfield (Leader of the Opposition): Just one final supplementary question at this stage, Mr. Speaker. In view of the fact that the documents which apparently have been sent to representatives of organized labour for their consideration seem to set forth quite precise forms of restraint for them to consider but very imprecise forms of restraint for other principal sectors of the economy, I should like to ask the minister, in all seriousness and very earnestly, whether he is supplementing the restraints he proposes for other elements of the economy in order to avoid what I would call the comedy the government has been going through all winter and spring, now degenerating into a real tragedy for the people of this country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the documents to which the hon. gentleman refers must have been earlier working papers, because the documents now being discussed include moderation on the part of all sectors of the economy.

INFLATION—METHOD BY WHICH UNORGANIZED WORKERS WOULD BE GIVEN EIGHT PER CENT INCREASE ACCORDING TO GUIDELINE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance concerning the interesting guidelines that have been circulated. These guidelines propose a minimum increase of some 8 per cent. I should like to ask how the government plans to have unorganized workers in particular get even that 8 per cent to which the government says they are entitled when they are outside a trade union movement and do not have anyone to bargain for them? More particularly, if the minister wanted to get acceptance of the principle of certain minimums for low income Canadians why was there not embodied in the proposal the suggestion that the federal minimum wage be increased and that the guaranteed minimum income program which the Minister of National Health and Welfare has been talking about for some years now should be implemented as soon as the program is brought into effect?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the document to which the hon. member refers, as I said yesterday, is among working papers that have been circulated over a period of time. They do not represent a definitive position on the part of the government, which is still considering these documents, nor a definitive position on the part of leaders of the labour movement, leaders of the business community or other segments of the economy. I might just add that in so far as organized labour is concerned, the leaders have been particularly anxious to ensure that any consensus which is arrived at takes into consideration the unorganized labour force of the country.

INFLATION—REASON FOR SPECIFIC PROPOSALS TO LABOUR CONCERNING INFLATION BUT NOT UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, since according to the expert opinion of many there is now a turn-around taking place in the North American continent with the problem of inflation diminishing in comparison with the problem of unemployment, which most people expect to increase, and this is supported by most recent indicators, will the minister inform the House why the proposals that were sent to organized labour and provincial governments contained certain specific targets for the reduction of inflation, which is not likely to be the increasing problem, but contained no specific targets or other suggestions, and not even an intimation of them in respect of the reduction in unemployment levels?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am just suggesting to the hon. member that a large number of working papers have been circulated, but I am not going to sustain or base my position on any alleged working paper that may have been published by the media. What I am saying to him is that inflation and unemployment are equally difficult problems for this country to face and unless we can solve the problem of inflation, unemployment will become worse in terms of the stimulus injected into the North American, particularly American, economy. Inflation remains a recurring problem in terms of our competitive position with the United States and other major competitors and the disadvantage we will incur and are incurring in terms of our costs will become very dangerous for this country in the next 12 to 20 months unless we do something about it now.

INFLATION—REASON FOR FAILURE TO MAKE PROPOSALS CONCERNING RENT INCREASES AND HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, since one of the major aspects of the recent increase in the cost of living, and presumably in the near future, is the question of housing and the level of rentals, could the minister explain to the House why there was nothing in the several proposals that would have dealt with the problem of restraining rent increases and increasing the supply of housing, both of which steps are essential if we are to bring down the cost of living as affected by the cost of housing accommodation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as I said to the Leader of the Opposition, the documents to which he was referring were incomplete because every segment of the economy is being called upon to exercise moderation.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

SUGGESTED RESIGNATION OF SOLICITOR GENERAL BECAUSE OF VIEWS ON CAPITAL PUNISHMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Solicitor General.

Parliament passed an act on capital punishment for murder of policemen. Now, after having voted for that act, the Solicitor General stated last week that he would not respect the decision of Parliament. Since the minister has decided not to respect the laws of the land, would he at least have the decency and courage to resign as minister?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, Parliament also adopted a law which provides for commutation of sentences. I must say in voting for the law the last time I felt we were moving in the right direction toward the policy I approved of, but I have no intention at this time of taking the step indicated by the hon. member.

[*Translation*]

POSSIBILITY OF REFERENDUM ON CAPITAL PUNISHMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

Since those two bills were passed and bearing in mind the commutation provided for, according to a recent scientific poll on public opinion, 70 per cent of the Canadian people are in favour of keeping the death penalty. Does the Solicitor General intend to have more serious consultation with the people?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have no plans to have any kind of a referendum, but we are in consultation on a continuing basis with citizens and citizen groups. As a matter of fact, last month I consulted two groups of policemen on this subject. I propose to continue consultations but have no intention to have a referendum.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a last supplementary.

Has the Solicitor General been in touch, in any way, with the six Toronto idlers who have pitched their tents and continue their hunger strike? Finally, have the police forces of Canada had some influence over the behaviour of the minister?

[*English*]

Mr. Allmand: Well, Mr. Speaker, I have had no communication with the group which is demonstrating in front of the Don Jail in Toronto. With regard to the second part of the question, yes, I have been impressed with the position of the police on many matters but the one position that some of the police maintain with regard to capital punishment I cannot accept.

* * *

FINANCE

INQUIRY AS TO DATE OF BUDGET

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As we pass through stage after stage of consensus discussions while unemployment rises, inflation continues and our trade

slumps into deficit, would the minister indicate when we may expect the budget and whether he is still hopeful it will be brought down in May or must we wait until June?

Hon. John N. Turner (Minister of Finance): Roughly that is the case, Mr. Speaker. I hope to be able to present a more definitive date in due course.

Mr. Stevens: Mr. Speaker, my supplementary again is addressed to the Minister of Finance. In view of the urgency of the matter would the minister indicate if it is likely that the budget will be presented in the first two weeks of June or in the last two weeks of June?

● (1420)

Mr. Turner (Ottawa-Carleton): The hon. gentleman will just have to wait.

Mr. Stevens: With the background of Canadian consensus chats and their inflation orientation, would the minister indicate whether, in his consensus discussions with the OPEC countries, the possibility of an oil price increase in September was raised and, if so, did the minister tell the representatives of those countries that he felt that a price increase was not warranted and Canada would not follow their lead, if taken, or did he in effect—

Mr. Speaker: Order, please. Even the hon. member would recognize that there is great difficulty in connecting that as a supplementary question to his first one.

* * *

ENERGY

OIL—REASON FOR REDUCTION IN EXPORT TAX—EFFECT OF DECLINE IN EXPORTS ON EQUALIZATION OF DOMESTIC PRICE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Has the decision of the National Energy Board to reduce the export tax on Canadian crude by 80 cents any implications for the government's policy with respect to the export of crude oil at the rate of 680,000 barrels a day in mid-summer? In other words, was the reduction made because of the decline in markets there or has there been some fundamental change in our decision regarding the amount of oil we want to export?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the target we set for 1975 was 800,000 barrels a day. In fact, the level has been much lower, around 650,000, and indeed in the last several months it has been in the neighbourhood of 500,000 barrels a day. The decision to lower prices was made partly because of the representations received from western Canada and partly because of the desire to maintain the exports at a certain level. That was the basis for dropping the price, to meet the competition in the U.S. There has been no fundamental change in the maximum levels we had in mind.

Mr. Gillies: As I understand it, basically the answer is a softening in the market rather than a change in policy. What implications does this decline have on our policy of equalization of oil prices across the country?

[Mr. Stevens.]

Mr. Macdonald (Rosedale): The decline in exports will have an effect on the extent to which resort will have to be made to the general revenues for the purpose of paying compensation. If indeed there is an increase in exports, it is believed that the increase in volume going through would more than counterbalance the revenue dropped through the export tax. The over-all level of exports being somewhat lower has meant a greater exposure for the treasury, than was the case when the export tax was at a higher level.

Mr. Gillies: May I ask for a clarification of the last answer, Mr. Speaker? Is it the minister's contention that the reduction of 80 cents will stimulate sales sufficiently to reduce the demand on the general revenue fund in terms of the compensation program?

Mr. Macdonald (Rosedale): A more accurate description would be that the deterioration in the export tax receipts would not continue.

OIL—POSSIBILITY OF CONSULTATION WITH PROVINCES ON REDUCTION IN EXPORT TAX

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question. As I listened to the answers given by the minister I was wondering whether the decision to cut the export tax by 80 cents per barrel of crude was taken by the National Energy Board, or was it arrived at in consultation with the provinces and, if so, what provinces were consulted?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have had representations from the heavy oil producers and from Saskatchewan. They stated that because of the shut-in of capacity there they were suffering economic hardship. The decision, of course, is made by the board from month to month on its analysis of the U.S. market. The figures produced represent the board's conclusions as to the appropriate price levels for Canadian oil, with the consequent effect on the export tax.

Mr. Woolliams: My question to the minister related to consultation with the provinces, but the minister spoke about submissions from the provinces. Was there consultation by the federal government with the provinces and, if so, with which provinces? That was my question. Was there consultation or was it a unilateral decision?

Mr. Macdonald (Rosedale): The decision, of course, was that of the Energy Board and the government, but it was based upon representations received by me from the province of Saskatchewan, and as I recall, by my officials from the province of Alberta with regard to the levels of exports.

PUBLIC SERVICE

NURSES IN HALIFAX—REQUEST FOR CONSIDERATION OF WAGE PARITY IN VIEW OF POSSIBLE STRIKE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the President of the Treasury Board. It arises from the fact that the nurses at Camp Hill Veterans Hospital in Halifax have rejected a conciliation award and are considering strike action. Would the minister consider, in making up his mind whether to make a new offer to them, that all his Liberal colleagues from Atlantic joined Progressive Conservative candidates in the last federal election in calling for wage parity? That is what the nurses want.

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the conciliation report has been a unanimous report from the president, the representative of the Treasury Board, and also the union. We have accepted it, and we believe it is fair to all nurses throughout Canada.

[*English*]

NURSES IN YUKON—GOVERNMENT ACTION TO MAINTAIN SERVICE IN VIEW OF STRIKE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the Minister of National Health and Welfare. I will ask the shy and retiring minister what steps his department is taking in connection with the Yukon-wide strike of federally employed nurses, which is effectively shutting down all hospital services in the Yukon save only for emergencies.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, all essential services are guaranteed in institutions and hospitals under the responsibility of my department. A number of nurses have been designated to provide the necessary services to those who need medical care. We will, however, respect the right to strike given to all other nurses.

[*English*]

NURSES IN YUKON—GOVERNMENT VIEW OF REQUEST FOR PARITY OF SALARIES

Mr. Erik Nielsen (Yukon): My supplementary question is for the President of the Treasury Board. By way of enlightenment for the Minister of National Health and Welfare, even the designated nurses in the Yukon are on strike. Is the President of the Treasury Board actively considering the crippling strike now under way in the Yukon with respect to health services, and if so, is he taking any steps to bring the nurses' salaries to parity, as they are asking, or as a minimum, to raise their salaries to the amount being received by garbage collectors in the city of Whitehorse?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, a conciliation board presented a unanimous report on that subject and we accepted it. We think that this report gives justice to everyone. As for those who do not have the right to strike, I ask them to go back to work, because the government's policy is that we will not tolerate people going on strike when they cannot legally do so.

[*English*]

STRIKE OF WORKERS AT CHARLES CAMSELL HOSPITAL—GOVERNMENT ACTION TO SETTLE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I do not wish to be parochial, but in view of the recent strike of 100 members of the Public Service Alliance of Canada in Edmonton which has halted all surgery at the Charles Camsell Hospital, has the minister, or the Minister of Indian Affairs and Northern Development, done anything to bring the two sides together in order to restore this vital service?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I take the hon. member's question as notice.

* * *

[*English*]

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF GUIDELINES ON PRICE INCREASES—REASON FOR GOVERNMENT CONFIDENCE IN SUCCESS OF VOLUNTARY GUIDELINES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. Judging by the work papers or discussion papers which have been distributed to labour unions preparatory to a meeting to be held tomorrow, the government appears to be very willing to be specific regarding limitation on wage increases. Is the government equally willing to be specific on price increases, and does it have in mind any penalties which it would impose for non-compliance with regard to either limiting wage increases or price increases?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are trying to move toward a voluntary agreement in this country.

Mr. Hees: As this appears to be about the same kind of approach as was made by the government in 1970, which failed dismally, does the government have any indication that the present approach will be any more successful? If so, what reason has the minister for feeling confident—the government is dealing with the same people in the same kind of way?

● (1430)

Mr. Turner (Ottawa-Carleton): I think the situation facing the country today is far more apparent, Mr. Speaker.

Oral Questions

EXTERNAL AFFAIRS

CONFERENCE ON TREATY ON NON-PROLIFERATION OF NUCLEAR WEAPONS—SUGGESTED AGREEMENT NOT TO SELL REACTORS TO NON-SIGNATORY COUNTRIES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Acting Secretary of State for External Affairs. In light of the statement issued by the minister today regarding the important conference at Geneva to review the provisions on the Treaty on the Non-Proliferation of Nuclear Weapons, will the Canadian government, in addition to the proposals and policies outlined in the statement, give consideration to putting forward to the conference a proposal that the signatories of the treaty, including Canada, agree not to sell nuclear reactors or other materials capable of being diverted from peaceful purposes for the creation of materials for nuclear weapons to any country which is not a party to the non-proliferation agreement and which does not accept the safeguards prescribed by the International Atomic Energy Agency?

[*Translation*]

Hon. Gérard Pelletier (Acting Secretary of State for External Affairs): Mr. Speaker, as the hon. member will realize, the way his question is asked, there is no provision in the treaty covering the case he mentions. But it is certain that many countries interpret the treaty, in particular Canada, or promote an interpretation of the treaty according to which the government which signed the treaty do not accept to sell any atomic products to nations that did not sign the treaty, unless the transaction includes the very strict safeguards Canada applies to all transactions of this kind.

[*English*]

Mr. Brewin: A supplementary question. Will the Acting Secretary of State for External Affairs seek consideration of Canada's trying to get an amendment to the treaty that will make it clear that the nuclear reactors and similar devices that can be diverted to the production of nuclear weapons, will not be sold to countries that will not sign the agreement nor accept the inspection and safeguards of the International Atomic Energy Commission. I suggest to him that this is a very practical matter because I understand that Canada is contemplating sales to some countries which have not yet accepted either the treaty or the safeguards.

Mr. Pelletier (Hochelaga): Yes, Mr. Speaker. I will convey this suggestion of the hon. member to the proper authorities. I want to be very precise, however, and repeat that each party to the treaty does undertake to provide nuclear equipment or material to other states only if it is subject to the safeguards of the International Atomic Energy Commission.

[Mr. Turner (Ottawa-Carleton).]

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY CONSENSUS PROGRAM ON RESTRAINT MAY BE SELECTIVE RATHER THAN COMPREHENSIVE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Minister of Finance. Yesterday the minister said that it is still premature to speak about precise guidelines on all forms of income and prices. Earlier today he said that his policy would call for moderation on all sectors of the economy. Has the government made the decision, in principle, that the program must be comprehensive, must include all forms of income and prices or is the government now envisaging a kind of selective program with no specific guidelines on certain areas such as dividends, metals, shelter and others?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think it is obvious that if there is to be any long term program it should embrace the total economy.

Mr. Fraser: A further supplementary. Can the minister assure the House that this is in fact government policy and that it has been clearly put forward to the representatives of labour who are meeting tomorrow?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is the basis on which we are discussing matters. There is no government policy until we are assured of agreement.

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NORTHERN AFFAIRS

PROFIT-SHARING PLAN FOR NORTHERN OIL AND GAS—EXTENT OF DISCUSSIONS BETWEEN INDUSTRY AND GOVERNMENT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of certain statements that the minister made to the Independent Petroleum Association in Calgary last Thursday, can the minister advise the House to what degree discussions were held between officials of the oil industry and the government before he made his statement concerning the proposed profit-sharing plan for northern oil and gas exploration and development?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, there have been some ongoing discussions, without actually getting into the precise details, about the type of regime that we are planning. This was the general nature of the discussions.

Mr. Neil: A supplementary question, Mr. Speaker. To what degree will discussions be held with industry officials before the details of the profit-sharing plans are finalized?

Mr. Buchanan: Mr. Speaker, it is not only a question of the profit-sharing plan but the total regime or system that we are dealing with at this time. There will be ongoing discussions prior to the matter being finalized.

LABOUR CONDITIONS

POSSIBILITY OF INQUIRY UNDER LABOUR CODE INTO ACTIVITIES OF THE SEAFARERS' INTERNATIONAL UNION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Labour. Now that certain allegations, information and evidence have been before the government for several months, and in particular before the minister for several days, respecting blacklisting, hiring hall practices and other employment practices of the SIU, is the minister going to order an inquiry under section 65(1) of the Canada Labour Code or some related section or one of the other statutes under which he has power to order an inquiry?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I have had the report for several days—since last Thursday, I believe. It is receiving active consideration and I hope to be in a position to announce the government intentions within the next few days. In the meantime, I should like to remind the House, and the hon. member, that as far as any abuses connected with hiring hall practices are concerned, I have already indicated that in our next batch of amendments to the Canada Labour Code, which is fairly new, will be included amendments to deal with the whole question of abuses in hiring hall practices. As I said, I hope to have a report for the House within a few days.

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FINANCE

REQUEST FOR GOVERNMENT MEASURES TO STIMULATE THE FOREST PRODUCTS INDUSTRY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Finance and concerns the prolonged difficulty experienced by the forest and wood fibre industries in Canada. In light of drastic cutbacks on purchase commitments for pulp and paper products recently announced by our three major trading partners, Japan, Germany and Great Britain, and in light of the continued recessionary trend in the lumber industry, can the minister advise the House today what measures, if any, the government intends to take to stabilize this commodity group which represents by far the largest manufacturing capacity in the country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have been reviewing this matter continually with my colleague, the Minister of Industry, Trade and Commerce. I should say to the hon. member that it is a little difficult to sustain export oriented industries when the economies of our three largest customers, the United States, Japan and the United Kingdom and some other countries that are markets for wood products are in a state of recession.

Mr. Oberle: A supplementary question. Since this commodity group represents not only the largest capacity of manufacturing in Canada but also employs one million people, can the minister tell the House if the difficulties we are presently experiencing will be reflected in the forthcoming budget and in the consensus discussions with labour?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the subject the hon. member raises is, of course, relevant.

* * *

● (1440)

[*Translation*]

ENVIRONMENTAL AFFAIRS

CLEANING UP OF QUEBEC RIVERS—POSSIBILITY OF AGREEMENT WITH QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct a question to the Minister of the Environment.

Considering that a number of Quebec industries have to face river water pollution problems and that they shall have to spend considerable sums of money to process such waste waters, can the minister inform the House whether or not an agreement has been signed between Ottawa and Quebec to offer financial assistance to such industries so as to help them fight more effectively water pollution in our rivers?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, there already exists a program to facilitate the fight against water pollution so that industries wishing to obtain anti-pollution equipment may do so. The program was established by the Minister of Finance and its aim is to allow depreciating the cost of such equipment over a relatively short period of time.

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

Are the industries concerned authorized to deal directly with Ottawa on this matter, or does the government of Quebec have authority to intervene so that the projects involved are first accepted at the provincial level?

Mrs. Sauvé: Mr. Speaker, this is a federal program, and the industries may contact directly the federal Minister of Finance in this regard.

[*English*]

REQUEST FOR ACTION TO PREVENT CANADIAN NATIONAL RAILWAYS FROM DUMPING MATERIAL INTO HAMILTON HARBOUR

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I hope you will allow my supplementary question. We are talking about the pollution of waters and it concerns Hamilton Harbour. In view of the recent court decision which indicates that the law passed by the province of Ontario regarding the conservation authority is ultra vires of the province of Ontario in so far as that law purports to apply to the CNR, and as, by way of an order in council approved by the minister's department in 1973, the CNR is still dumping or intends to dump in Hamilton Harbour, will the minister use his influence with his cabinet colleagues to see to it that such order in council is revoked.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am ready to hold new discussions on this matter.

Mr. Alexander: A supplementary question, Mr. Speaker. In view of the confusion arising from the complexity of the jurisdiction which involves the city of Hamilton harbour, the Hamilton-Wentworth region, the province of Ontario and the federal government—a confusion brought about by the Hamilton Harbour Commissioners Act which was set up in 1912—will the minister assure the House that he will meet with representatives of the Hamilton-Wentworth region, the city of Hamilton, the province of Ontario and the CNR, in order to determine how best we can update the Hamilton Harbour Commissioners Act and meet the several needs existing within the several jurisdictions just referred to?

Mr. Marchand (Langelier): Mr. Speaker, in his first question the hon. member asked me to authorize the revocation of an order in council of the cabinet. This authority I do not have. Now, he wants me to organize a federal-provincial conference, which is not my responsibility. But I can promise him so far as CNR is concerned, for which I am responsible to the House, that I will talk with them and try to convince them not to do these things.

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HEALTH

REQUEST FOR ASSURANCE CONNAUGHT LABORATORIES PHARMACEUTICAL PRODUCTS MEET PROPER STANDARDS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, may I direct my question to the Minister of National Health and Welfare? In view of the great anxiety caused by the acknowledged deficiencies in the production of biological products by CONNLAB, can the minister now assure us that these deficiencies have been corrected and that CONNLAB is following procedures required by the producers of other high quality pharmaceutical products and by other CDC subsidiaries selling comparable products in this country and abroad.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, to the last part of the hon. member's question, the answer is an unqualified yes. As to the first part, I do not know whether deficiencies are still being corrected or whether any correction which was required has already taken place. I will inquire; but I can assure the hon. member and the House that we have had the full co-operation from CONNLAB in that respect, as good co-operation as from any other firm in the country with which the health protection branch must deal.

Mr. Rynard: A supplementary question, Mr. Speaker. Can the minister state how many vaccines have had to be discontinued by CONNLAB because of quality or otherwise and if the manufacture of any of those vaccines has been transferred to other countries? If so, does the minister have the figures?

Mr. Lalonde: Mr. Speaker, I do not know, but I will inquire for the hon. member.

[Mr. Alexander.]

[*Translation*]

BILINGUALISM

DATE OF REPORT ON BILINGUAL DISTRICTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to put a question to the Secretary of State.

Can he say if the report of the advisory committee on bilingual districts will soon be tabled in the House? If so, when? If not, has the government temporarily put it off and why are we waiting so long to bring in this famous report?

[*English*]

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, the latest information I have on this interesting question is that both the English and the French versions of the prospective report will be available for the printers in June.

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EXTERNAL AFFAIRS

NAMIBIA—GOVERNMENT ACTION TO PREVENT FALCONBRIDGE MINES FROM EXPLOITING WORKERS AND END PRIVILEGE OF CLAIMING FOREIGN TAX CREDITS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of Canada's support of the UN position regarding South Africa's continuing occupation of Namibia and in view of the fact that Falconbridge Nickel Mines is being permitted, under section 126 of Canada's Income Tax, to claim foreign tax credits for taxes and royalties paid to the South African government because of its Namibian mining operations, can the minister inform this House what steps the government intends to take to put to an end this practice which only strengthens South Africa's illegal occupation of Namibia?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government has been studying the recent declaration on Namibia of the United Nations official concerned with this matter and we are looking at the implications, to see what effect this will have on the operations of Canadian companies in Namibia. When this study is complete we will make the results public.

Mr. Rodriguez: A supplementary question, Mr. Speaker. Since it is obvious that this government does not intend to interfere with Falconbridge's and South Africa's exploitation of Namibian material resources, is the minister prepared to use the good offices of his position to intercede on behalf of the Namibian workers and insist that Falconbridge Nickel Mines Ltd. end its pernicious practice of using contract labour in its Namibian mining operations?

Mr. Sharp: Mr. Speaker, I do not agree with the premise of the question. After all, I have answered that the government was studying the particular report which has been made. Since the hon. member does not agree with that position, I have nothing to add.

INDIAN AFFAIRS

CIRCULARS CONCERNING NATIVE RIGHTS AND OBLIGATIONS—REQUEST FOR CONSULTATION WITH FEDERATION OF SASKATCHEWAN INDIANS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question directed to the Minister of Indian Affairs and Northern Development has to do with the policy circulars which have been issued by his department concerning Indian rights and obligations. As the Federation of Saskatchewan Indians as well as the chiefs of the various tribes in that province have taken strong objection to those circulars, on the ground that they were drafted without Indian consultation and represent an arbitrary, bureaucratic action, and that the implementation of the guidelines would result in the loss of their tribal identity, would the minister be prepared to hold back the application of these guidelines and circulars until there has been the fullest consultation, so that the Queen's wards shall not have their rights sacrificed in any way.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the right hon. member has, I take it, referred to the local government guidelines and the education guidelines. First, I do not accept the suggestion that there has not been consultation. There has been considerable consultation on these guidelines.

Mr. Diefenbaker: With whom?

Mr. Buchanan: With the Indian people, or the National Indian Brotherhood. I indicated to them in a letter that the ones which have been proclaimed will remain in force, but we regard them as being of an interim nature and will review them at the end of the year. With respect to the ones which have not been proclaimed, we would wait for their response, which would be in addition to the discussions we have had to date and we shall give them until June 1 to respond to the ones which have not yet been put into force.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. Apparently, consultation in the mind of the minister and consultation in the minds of Indians are two different entities. They are at two stages, if that is the proper expression to use today.

● (1450)

In view of the fact that the Saskatchewan Indians and the Federation have been consistently law abiding and reasonable in their representations, will the minister not reconsider what will obviously result in a feeling of deep resentment among the Indians for failure to consult in the true sense of the word?

Mr. Buchanan: I share the high opinion the right hon. gentlemen has expressed for the Federation of Saskatchewan Indians. On the other hand, to balance this, there are the requests which many chiefs and councillors have been making to us to lay out the guidelines related to all these funds they are now handling on behalf of the department. We are prepared to regard these guidelines as being of an interim nature. If they create difficulties and problems, we are prepared to change them.

PUBLIC WORKS

DREDGING—REQUEST FOR ASSURANCE OF ADEQUATE SUPERVISION OF CONTRACTS

Mr. J. R. Ellis (Hastings): Mr. Speaker, I wish to direct a question to the Minister of Public Works who, by his own admission, says there are four separate agencies responsible for the letting of dredging contracts in Canada. In addition, mention has been made of the many reports and comments of the Auditor General since 1963. May I ask the minister why, in these circumstances, his department made no attempt to bring together all these agencies to supervise dredging contracts and contractors?

Hon. C. M. Drury (Minister of Public Works): The new interim policy was brought about only as a consequence of police activity last fall. The suspicion of collusion against which these measures are now directed did not exist prior to that.

Mr. Ellis: My understanding is that in 1971 there were already suspicions. Will the minister assure us that from now on these four agencies will be working together to supervise dredging contracts, or, preferably, that one agency, the Department of Public Works, will be doing so?

Mr. Drury: I can give an assurance that there will be continuing co-ordinated supervision with regard to all these contracts.

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INDUSTRY

SYSCO STEEL—REQUEST FOR REPORT ON AID IN FINDING MARKETS TO AVOID LAY-OFFS

Mr. Robert Muir (Cape Breton-The Sydneys): Thank you, Mr. Speaker. My question is for the Minister of Industry, Trade and Commerce. A few days ago I posed questions to him with regard to the lay-off of over 200 workers by the Sysco Steel plant at Sydney and the possibility of assistance by his department being provided in this unfortunate situation. Can the minister now advise me whether contact has now been made, as he assured me would be the case, and, if so, what has he to report?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Contact has been made and discussions have taken place between my officials and the company. At the moment I cannot report any specific program of assistance for the industry.

Mr. Muir: Knowing that the minister is interested in cutbacks and lay-offs if they happen anywhere in Canada, may I ask whether he made a point of obtaining an assurance from the officials that there would be no further lay-offs by Sysco?

Mr. Gillespie: I do not know whether such an undertaking was given or volunteered by officials of the corporation or not. If the hon. member would like me to do so, I will find out.

SYSCO STEEL LAY-OFFS—POSSIBILITY OF REQUEST BY NOVA SCOTIA FOR SPECIAL PROGRAMS TO ALLEVIATE EFFECTS OF UNEMPLOYMENT

Mr. Andy Hogan (Cape Breton-East Richmond): A supplementary on the same subject to the Minister of Public Works. Having regard to these recent heavy lay-offs in the Sydney steel plant, can the minister inform us whether the Nova Scotia minister responsible for development or the prime minister of Nova Scotia have requested a special program to offset the additional unemployment in the Cape Breton area?

Hon. C. M. Drury (Minister of Public Works): Not to my knowledge, Mr. Speaker.

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CANADIAN NATIONAL RAILWAYS

REDUCTION OF EMPLOYEES AND SERVICES IN NEW BRUNSWICK—REQUEST FOR RECONSIDERATION

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my question is directed to the Minister of Transport. Will the minister have his department conduct a review of the decision of Canadian National to reduce during the next few months the number of its employees in New Brunswick and will he instruct this Crown corporation to continue services which are not provided by other firms, especially when provision of those services is not placing a strain on the corporation's financial resources?

Hon. Jean Marchand (Minister of Transport): This is a matter I have decided to discuss with Mr. Bandeen, President of CNR.

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POST OFFICE

SUGGESTED ASSURANCE AUTOMATION, JOB CLASSIFICATION AND SECURITY AND SUSPENSIONS ARE NEGOTIABLE—MINISTER'S POSITION

Hon. W. G. Dinsdale (Brandon-Souris): A question to my old friend, the Postmaster General. In the light of recent statements by the President of Canadian Union of Postal Workers to the effect that such matters as automation, job classification and job security are not being considered in the course of the current contract negotiations, and in the light of the Postmaster General's constant assurances that these matters will be covered in the negotiations, can the hon. gentleman set out his position on this matter in crystal clear fashion? Can he assure us that the current sources of irritation, such as the casual earnings issue and the suspensions arising therefrom, will also be considered?

Hon. Bryce Mackasey (Postmaster General): Beginning with the last reference, the reference to suspensions, that is the 49 or 50 indefinite suspensions which Mr. Davidson says must be retracted before any settlement can be reached—may I say that these indefinite suspensions are now a month old, and during the coming week I hope they will become definite suspensions related to the infractions at the time of the original suspensions. They are not negotiable, even in return for a national collective agreement. In other words, I am not wiping the suspensions out of existence in order to please Mr. Davidson. The quickest way to deal with the problem of automation and all the other problems is for him to stop running around the country and go back to the bargaining table were he belongs.

Some hon. Members: Hear, hear!

Mr. Dinsdale: In the light of the acceptance of the recently negotiated contract by the large majority of the Letter Carriers Union, in spite of provocation by the Montreal local, can the minister give an assurance that the same terms of reference will apply in regard to the negotiations now under way with the Union of Postal Workers?

Mr. Mackasey: I am not certain what the hon. member means by "the same terms of reference". If he is asking whether the government, or the team negotiating on behalf of the government, is prepared to sit down and negotiate in good faith, the answer is, definitely, yes. There is no particular reason why a settlement could not be achieved in a matter of a couple of weeks if, for instance, that union were to bargain on money, and bargain on fringe benefits, and come up with a viable formula to deal with technology over the life of the contract, as suggested by outside observers. If, however, one of the conditions of arriving at a settlement is that we waive or cancel the suspensions, I suspect we shall still be waiting for a settlement in 1980.

ROUTINE PROCEEDINGS

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

Eleventh report of Standing Committee on Justice and Legal Affairs—Mr. Fox.

[*Editor's Note: For text of above report see today's Votes and Proceedings.*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 2,227, 2,270 and 2,278.

I ask that the remaining questions be allowed to stand.

[*Text*]

CANADA MANPOWER TRAINING PROGRAMME

Question No. 2,227—**Mr. Herbert:**

1. In each year since the inception of the Canada Manpower Training Programme, how many persons have received (a) part-time (b) full-time training?

2. Has a record been kept as to whether any of these persons have received more than one course of training?

3. What is the approximate average weekly cost of full-time training?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. For each year since the inception of Canada Manpower Training Program, the following numbers of persons received training:

Year	(a) Part-Time	(b) Full-Time	Total
1967–68	Statistics not available		183,540
1968–69	147,200	154,000	301,200
1969–70	71,662	233,237	304,899
1970–71	76,223	268,623	344,846
1971–72	49,879	302,231	352,200
1972–73	71,454	281,377	352,831
1973–74	83,508	236,218	319,726
1974–75*	55,537	202,768	258,305

*April 1, 1974—February 28, 1975 only.

2. Yes.

3. The approximate average weekly cost of full-time training per trainee for 1974-75 is estimated at $60.42. Until recently the costs for full-time and part-time training, as paid by Canada to the provinces and other contractors, were not maintained separately. Consequently to arrive at approximate costs for each fiscal year the total number of training-days purchased has been divided into the total cost of training to produce a cost per training day. This in turn has been multiplied by five to produce a cost per training week per trainee. This is a very rough figure, since it ignores shifts in the mix of institution-centred and employer-centred training and in the mix of full-time and part-time training. Subject to these limitations, the approximate average weekly cost of training per trainee by fiscal year is as follows: 1967-68, $28.28; 1968-69, $33.10; 1969-70, $33.52; 1970-71, $35.09; 1971-72, $46.80; 1972-73, $58.13; 1973-74, $64.60; 1974-75, $58.44. It should further be noted that these figures do not include the costs of training allowances, for which full-time trainees may be eligible.

MORTGAGE LENDING AGREEMENTS WITH THE PROVINCE OF NEWFOUNDLAND

Question No. 2,270—**Mr. Marshall:**

Has agreement been reached between the government and the Province of Newfoundland to extend the mortgage lending programme beyond March 1975 and, if so, what are the details of such agreement?

Hon. Barney Danson (Minister of State for Urban Affairs): I have been advised by Central Mortgage and Housing Corporation as follows: The provincial government has sought an extension to the lending program under Section 40 of the National Housing Act, and a draft agreement is now with the province for execution. The agreement to extend the program will cover the same terms and conditions as provided for in the original agreement, with the previous restrictions related to the number of units and time limitation being deleted.

PUBLIC SERVICE COMPETITION 74-AGR-CC-HA-19

Question No. 2,278—**Mr. Lachance:**

Was Public Service Competition 74-AGR-CC-HA-19 as advertised held and, if so (a) how many candidates made application (b) was there an appeal against the competition on the basis that certain requirements were not met (c) on what date will the next competition be held for the position advertised in competition 74-AGR-CC-HA-19 (d) who is holding the position?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: (a) Seven; (b) Yes; (c) As a result of the first appeal, interviews were scheduled a second time. Thereafter, further appeals were lodged and upheld. It was therefore planned to conduct a new competition in January 1975, but this was delayed by a further action on the competition before the Federal Court of Appeal. (d) No one is holding the position.

● (1500)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed, from Monday, May 5, consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture; and the amendment thereto of Mr. Baker (Grenville-Carleton) (p. 5468).

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in this debate last evening on the amendment to Bill C-41, I mentioned a number of things. First of all, I suppose I should state clearly that the amendment is asking for a referral of the subject matter to committee without the bill being dealt with in principle. If there is one time in my 17 years of political debating in the House of Commons that I wish the government would adhere to the wishes of the opposition, this is the occasion. I am not given to begging very often, but if it would do the trick I would beg the government to comply with the amendment now before the House.

I intend to deal, within the next 30 minutes or so allotted to me in this debate, with my reasons for this request. But first let me say that something very interest-

ing happened last evening. The hon. member for Moose Jaw (Mr. Neil) was speaking about inventory and the difficulty of equating just what inventory really deals with. The minister in charge of the bill, the Minister of Justice (Mr. Lang), interrupted the hon. member and asked him this question which is to be found at page 5495 of *Hansard*:

I wonder whether the hon. member can tell me how he develops the fear that any bin measuring is required—

The minister then asked: "Where is the inventory?" and the hon. member for Moose Jaw replied: "I would assume the inventory is in the farmer's bins." To which the minister replied: "Nonsense".

The minister is piloting the bill through the House and we must deal with the legislation that is before us. At page 11 of the bill, subclause (4) of clause 9, paragraph (A) refers to "the opening inventory, in bushels, of farm stocks of such grain". How do you find a farmer's stock of such grain, Madam Speaker? You measure it in bins most of the time. At least, I hope most farmers keep their grain in bins. The paragraph continues, "for the year under review, determined as being the closing inventory". Paragraph (B) refers to the "closing inventory, in bushels, of farm stocks of such grain determined in December of the year under review".

I do not know whether the hon. member for Moose Jaw is interpreting that particular clause correctly, but I do not know how else to interpret it. When the minister who is piloting this bill through the House says that the equating of inventory in bins is sheer nonsense, one can realize why we on this side of the House would like the whole subject matter of the bill dealing with grain income stabilization sent to the agricultural committee so the committee can hear briefs from farmers and farm organizations.

The hon. member for Assiniboia (Mr. Goodale) said in his speech that all farm organizations agree with the bill, that all farm organizations think it is a necessary piece of legislation. He said the same thing of Bill C-19. As reported at page 26 of issue No. 4 of the agriculture committee's proceedings of November 7, 1974, the hon. member said:

It is interesting to look at what the farm reaction has been in fact. According to the announcements and pronouncements of the various farm groups with respect to this two-price wheat program ... every farm group that I have heard of endorsed it. At the moment I cannot think of an exception that voiced a contrary opinion last fall to this legislation.

That is what the hon. member said about Bill C-19, Madam Speaker. I have with me quotations from all the farm briefs, and if time allows I should like to read them. Every farm group that appeared before the committee, including even the Palliser Wheat Growers which the hon. member for Assiniboia brought down here, wanted changes made in the bill. The National Farmers Union wanted changes made, so did the Canadian Federation of Agriculture, Unifarm of Alberta and the Ontario Wheat Growers. So it is only logical that we cannot take the word of the hon. member for Assiniboia in regard to Bill C-41.

To emphasize the conflict of jurisdiction in the field of agriculture, this very afternoon the agriculture committee is sitting. Members of the opposition have stated that this grain income stabilization bill is very complex and confusing and that members of parliament knowledgeable of agriculture should be here, either explaining it to those who do not understand it or listening to the explanations of the experts on the government side who are proposing the legislation. But the Minister of Agriculture (Mr. Whelan) said, "To heck; that's not even agriculture. The agriculture committee sits". So it is sitting. It is with regret that I have to point that out to the House, because I have always believed that as grain income goes, so goes agriculture for the whole of Canada.

[Mr. Horner.]

Last night I was saying that the Minister of Justice has not done anything beneficial for Canadian wheat farmers during the whole of his political career. The only major piece of legislation that he ever got through parliament was an enlargement, to take into account the costs of production and inflation, of a piece of legislation put forward formerly by the right hon. member for Prince Albert (Mr. Diefenbaker) when he was prime minister at the time the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) was minister of agriculture—namely, the cash advances legislation. What else has the minister done? He brought forward this bill about four years ago. Last night I stated that defeat of the bill four years ago saved the farmers a great deal of money. I went to the trouble of looking up exactly how much money was saved, Madam Speaker. I found that in the crop year 1970-71, under the Temporary Wheat Reserves Act, $39 million was paid out. In the crop year 1971-72, under the same act, $86,135,000 was paid out.

The defeat of the grain income stabilization bill four years ago carried a price tag: the cancellation of the Temporary Wheat Reserves Act, the cancellation of PFAA and the cancellation of the government's right or ability to pick up the barley deficits. Those three measures were cancelled in lieu of this grain income bill. Yet in those two crop years alone, over $100 million was paid out through the Temporary Wheat Reserves Act. In the crop year 1972-73, $2,918,000 was paid out under the same act and the money went into the Wheat Board pool account. In the crop year 1973-74, $5,832,000 was paid out into the Wheat Board pool account. So somewhere in the neighbourhood of $129 million has been paid out under the Temporary Wheat Reserves Act. In other words, members of parliament who contributed to the defeat of the grain income stabilization bill saved the farmers $129 million on that basis alone.

● (1510)

That is only one aspect. Another relates to payments under PFAA. In the year 1971, nearly $5 million was paid out to the farmers under PFAA. If we had passed the grain incomes stabilization bill four years ago, that money would never have gone out. In 1972, the amount was $5.4 million, and in 1973 it was $524,000. I have not done the mathematics—I could, because the figures are here before me—but this amounts to about $11 million that would not have been paid out to the farmers had this House of Commons passed the grain incomes stabilization bill of four years ago.

There is another matter involved, and that is deficiencies in the barley pool account for the years 1970-71 and 1971-72. If this House had passed the old grain stabilization bill, the government would not have had to pick up those deficiencies. In 1970-71, the barley pool account lost

$9,945,000, and in 1971-72 it lost $3 million. If parliament had passed that bill, the government would not have picked up those losses or paid out those amounts, so in effect parliament saved the farmers millions of dollars which this minister tried to take away from them, and would have if we had readily passed that bill.

The reason I am making this case is to show beyond a shadow of doubt that the complexities of Bill C-41 are not understood by members of this House, so the subject matter should be referred to the committee. Let us take a look at operation LIFT, that other great measure the Minister of Agriculture sometimes likes to boast about while most people realize that it was a colossal error. The minister says this had to be done. I heard him recently in Saskatchewan say that it was just one of those necessary things. He said that world wheat production had to be contained back in 1969. What are the facts? Farmers cut down their wheat acreage at the direct order of the minister in charge of the Canadian Wheat Board. I say it was a direct order, but that is a polite term; it was as a result of browbeating and blackmail by the minister in charge of the Wheat Board.

Let me give the House some figures from the 1973-74 annual report of the Canadian Wheat Board. The total acreage in wheat in 1969 was 24,400,000, and in 1970 this had dropped to 12 million acres. That was a reduction of over 12 million acres as a direct result of the order of the minister in charge of the Canadian Wheat Board. What happened in the rest of the world in respect of wheat production? Reading from page 3 of the same annual report, we find that world production of wheat back in 1969-70 reached about 10 billion bushels. Production has increased successively each year since, until in 1973-74 world wheat production reached 13.6 billion bushels. In causing the Canadian farmer to reduce the production of wheat by reducing the number of acres, the minister effectively lost markets and sales at higher prices for Canadians. This cost the farmers quite a bit.

Wheat seeded in 1970 would have sold in 1971, 1972 and possibly in 1973. The price to the farmer at that time varied from $2.15 a bushel to a low of $1.60 a bushel. According to this report, the 12 million acres yielded an average of 26 bushels to the acre. Anybody with a pocket computer can figure out what that reduction in Canadian wheat cost the Canadian farmer. The equation is 26 times 12 million times about $2 a bushel. That is colossal amount of money which this minister cost the Canadian farmer. Let me be specific by saying that it was a direct loss to the farmers of Saskatchewan, the very people the minister attempts to represent sometimes in this House.

The most soul-saving thing I can say as a member of parliament representing farmers in my constituency is that I cannot be blamed because the minister did not bring into operation the LIFT program in my area. I was not asked to recommend it to parliament or to vote for it. I was not asked to say whether it was good or bad. At the time I did say it was bad. There were newspaper headlines to the effect that as a result of the LIFT operation some $60 million would be paid out to the farmers. I remember headlines two inches high in the *Globe and Mail* at that time. The money paid out under the LIFT program was closer to $64 million. I have given the equation regarding how much was lost, and it appears to me that about $600 million was lost of the prairie farmers.

Is it any wonder that with that kind of track record we on this side ask the minister not to bring forward this complex bill and ask us to vote yea or nay on it? Please do not ask us whether we fully understand clause 11 which gives a calculation on the aggregate amount of stabilization payments. We want it worked out. It is not good enough that we understand it; the farmers must understand it. When there is a crop failure the farmers will, without a shadow of doubt, come to their member of parliament and ask why they are not getting some of this money. They will tell us they paid 2 per cent on last year's crop and the government contributed 4 per cent, so they expect to get something out of the fund. We will have to convince those farmers that clause 11 is being interpreted correctly by the officials—and that will not be an easy task.

The farmers have to understand this bill, and they do not understand it today. I suggest that no farm organization today understands either clause 10 or clause 11. In fact, the minister last evening proved beyond a shadow of doubt that, rather then the hon. member for Moose Jaw not having read the bill, the minister has not read it. The minister has to go on his past record in respect of the old stabilization bill. He gave us an equation, in his speech, in relation to his old grain stabilization bill of four years ago. I think I proved beyond doubt that the old bill should have been defeated. Perhaps this one is an improvement. The old bill referred to gross sales, as this one does, although from time to time when reading it I have noted some reference to net income.

I am not suggesting I fully understand the bill, and I am not ashamed to admit that I do not fully understand it. I have a rough idea how it is going to work. However, it is not surprising that farmers in western Canada do not understand it. One of the biggest jokes you can tell farmers at a meeting in western Canada is that whenever the government suggests they should do something, if they do the very opposite they will come out better. That joke goes over well with the farmers because this minister has proved it to be accurate.

Mr. Lang: They laugh, but they don't do it.

Mr. Horner: The minister suggests that they laugh, but do not do it. I suggest that if they work out the equation I gave which shows that the minister cost the farmers some $600 million as a result of his LIFT operation, they will realize that if they do not do the very opposite of what he tells them to do, then they should. There is no question about that in my mind. The minister says they do not do it. Let me quote from the February edition of the *Country Guide*, a well known publication, one of the better ones. This magazine does not go off half-cocked in respect of its editorials. Generally speaking, research is carried out: the editors of the magazine research articles which they write, having in mind the betterment of agriculture in Canada. This is what appears in the editorial section. The heading reads, "Don't go 'All out'". This has reference to the Minister of Agriculture and the Minister of Justice telling the farmers to grow all the wheat they can this year. The editorial reads:

● (1520)

Spring isn't far way. The time's approaching when farmers will make final decisions on what crops and what acreages they're going to seed this year.

Since last fall, there's been plenty of advice on that second point. It's mostly come from the mouths of politicians; it revolves mostly around one central message: "Grow everything you can. Canada and the world rely on the heroic efforts of you farmers to keep us from starvation".

That is what the politicians have been telling the farmers. The minister says that the farmers listen to him. This magazine, which publishes and researches articles on western and Canadian agriculture in general, does not quite agree. The article ends saying:

This is not the year to sacrifice the future, or take abnormal risks in order to grow extra grain. At least not unless there's something more concrete than politicians' promises at the end of the road.

It states pretty clearly that the farmers should not buy the promises of politicians but should look for something better. It is as though the farmers listen to the Minister of Agriculture and the Minister in charge of the Canadian Wheat Board and then proceed to do the very opposite. The request by the opposition to refer the subject matter of this bill to the agricultural committee or another committee of the House of Commons bears very careful consideration by the government for another reason. A committee which has before it a piece of legislation can amend its clauses. I should know, because I have moved amendments on a number of occasions. However, if one should amend, say, subclause (b) of a clause, this would affect subclauses (a), (c) or (d). But if the subject matter were referred to committee and the committee heard witnesses, then the legal minds of the Department of Justice and the Department of Agriculture could draw up a bill which would comprise roughly what the farmers and the farm organizations want. This makes much more sense than the proposals of some members of parliament who may have great legal backgrounds.

It is difficult to amend a bill that is already drafted, in order to meet the very divergent views which may exist in the farming community. Prior to this amendment being moved, I stated my opinion that the bill is not regional enough. That question could be dealt with. I have asked myself how we can amend Bill C-41 and equate several regions within the Canadian Wheat Board area. I have looked at this bill and tried to figure out how it could be amended so there would be 14 different regions within the prairie area. I could not figure out a clause which would have that effect. If the subject matter were referred to the committee, a bill could be drafted to deal with the geographic areas which naturally exist on the prairies. The area of the Wheat Board extends from Manitoba to the interior of British Columbia. The Peace River area is a natural geographic area. The inner lake region of Manitoba is another natural geographic area, as is the area around the Carrot River in the Mackenzie District. None of these areas is the same as the Regina plains area.

This bill is not regional enough. Therefore, many farmers feel they could have a crop failure and would not be able to obtain a payment. This bill also deals specifically with the question of sales. Sales depend upon the volume sold and the price. If twice as much is sold at half the price, the total sale is the same as if you had sold half as much. Therefore, it is not good enough to deal strictly with sales. We saw in Canada, during the last 365 days, the west coast tied up for 206 days. This greatly affected sales. In a study entitled "Transportation Implications of Canada's Trade with Japan" by Keith A. J. Hay and S. R. Hill, we find this statement:

This strike, along with a strike by lakes crews, which totally eliminated water movement from Thunder Bay, continued into the next crop year. Bottlenecks have been particularly severe upon westward movement of prairie grain. The Wheat Board estimated that about $350 million of wheat sales were lost in 1974 as a result of transportation difficulties in the west, and countless potential sales were jeopardized with the decline in the Canadian reputation for reliability.

I wanted to put that specifically on the record because this bill deals with sales. Sales can be affected by conditions which have nothing to do with the farmer. The farmer can grow the wheat and pay his costs in respect of fuel, production, machinery and taxes. The Lord, I suppose, can interfere with his crop and instead of bringing rain can bring hail. However, the farmer has other problems with which he must deal which are far beyond his control, such as the problem of moving his grain through the normal pipeline to the markets. We have seen these problems this year.

We have also seen this Minister of Justice interfere directly with collective bargaining. Last May 8 he directly interfered with collective bargaining by telling the unions they were right and the company was wrong. Therefore, he prohibited meaningful negotiations taking place in a two-month period between May 8 and July 8. He deliberately cost the farmers $350 million which the Canadian Wheat Board says it lost in the calendar year 1974. So, is it any wonder that members of parliament become pretty leery about anything this minister touches with regard to agriculture?

The minister was born on a farm, but he left the farm because he hated agriculture. I say to you, Madam Speaker, and to all members of this House of Commons, that he still hates agriculture. He has done nothing for agriculture in western Canada. Every piece of legislation in which he has been involved, with the exception of the cash advances legislation, has cost western Canada money. Every time he turns around he costs western Canada money. The greatest thing the Prime Minister of Canada (Mr. Trudeau) could do would be to leave him strictly with justice or some other department. While I do not advocate that the Canadian Wheat Board be placed in the hands of the Minister of Agriculture, I do say: Give me Whelan or anybody other than this minister who has cost the farmers money with respect to every piece of legislation he has attempted to pilot through this House.

The minister of agriculture for the province of Saskatchewan says that we should not rush this bill. All the prairie ministers say that we should look at it because it is not fully understood. All the amendment says is that we should study the subject matter and then determine what we really want. If the Minister of Agriculture and the Minister of Justice are prepared to put in 4 per cent of the gross sales in the form of government money, the farmers can use that money. Since we do not particularly trust the track record of the minister and the government, this makes sense to me.

● (1530)

Normally, legislation before the House must be dealt with in a hurry because of the need for change. Labour unions must tell their men to go back to work, so parliament has to deal with it; corporate rip-offs take place, so parliament has to deal with them. This is a long-term measure, in the minister's own words. Since only four or five payments will be made in the next 20 years, why tie the farmer that length of time to a piece of legislation which demands that he pay in 2 per cent of the sales without giving him some warning in this complicated bill? No payments will be made in 1975 or 1976 because probably sales will be good and prices may hold up. Payments will be made when the bill has been in effect for a number of years.

Then there is the question of compulsion in the bill. In clause 5 it is stated that by 1978 the farmer must make up his mind whether he wants to opt in or out of the program. I say that if the minister is not careful, farmers will not understand the bill and will not know whether to exercise the option. However, if the committee travels across Canada, studying the subject matter of the bill and discussing it with farmers, farmers will have a better basis for understanding it and they will know whether they prefer to opt in or out of the program and run their own insurance scheme.

For all these reasons, I believe that the amendment before us is justified and in conclusion I should like to plead with members of the House to pay heed to it and vote accordingly.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, I rise again to take part in this debate because I have some additional reasons to put forward for the subject matter of the bill being referred to the standing committee. It is my strong conviction that if that were to happen, as a result of the proceedings of the standing committee and what its members would hear, the minister and parliament would wish to make substantial changes to the legislation before it was brought back to the House. I also want to present the views of one of the provinces which will be affected by this legislation, views that the province is presenting today in Ottawa.

One reason that I think the subject matter of the bill should be referred to the standing committee is that I think members of the committee, farmers and farm organizations in the Wheat Board area, must realize that what the bill does in one area of the western grain industry is to shore up and insure operations on the open market. I know that what I will now say will not be supported by the Conservatives or, for that matter, by the Liberal and Social Credit parties, but it is my opinion and that of my party that this legislation should be applied in such a manner so as not to benefit those who are selling grain on the open market: I must protest this bill being used to shoreup the Winnipeg commodity exchange. If any farmer is foolish enough to sell his feed wheat, oats and barley on the open market and wants to take his chances with the fluctuating, open market prices, I see no reason whatsoever why we should use federal legislation to stabilize income which is obtained on the open market rather than through the orderly marketing system of the Canadian Wheat Board.

So far as I am concerned, if the farmer wishes to become involved with grain speculators, then he should damn well take his chances and forfeit his opportunity to receive any payments from the grain income stabilization plan. The payments should go to those who deliver wheat to the Canadian Wheat Board. The government should licence feed lots and feed mills as agents of the Canadian Wheat Board, so that farmers who deliver directly to a feed lot or a feed mill would be eligible to participate in a proper grain income stabilization plan. As is obvious from the bill, that matter has not been considered by individual farmers and farm organizations.

The major difficulty with the legislation before us is the fact that those who do the best in terms of income, collect the most whenever there is a pay-out. Surely that flies in the face of any principles of a good insurance or stabilization program. One has only to look at any unemployment insurance, health insurance or a host of other programs: this provision in the bill flies in the face of the principles underlying any such program.

In 1970-71, and again in the past few weeks, the New Democratic Party proposed that any grain stabilization program should be integrated and meshed with crop insurance programs. This is the best, easiest, simplest and most understandable manner in which to operate. The two fit logically together. I would point out that with the repeal of the Prairie Farm Assistance Act which was a form of crop insurance—everyone out west called it the "dry bonus" that worked reasonably well and although it was not all-inclusive in the risks it covered, at least it was a beginning, the federal government, to its credit and it is to be commended for it, increased its contributions to the crop insurance programs to cover 50 per cent of the premiums under crop insurance in all provinces. The rate of participation in crop insurance was 66 per cent of farmers in Manitoba and 62 per cent in Saskatchewan. I suspect it was somewhere in the same neighbourhood in Alberta. Each year, thousands of additional farmers come under it and I predict that in another year or two the plan will be almost universal.

When we have that amount of participation, the program will become that much better because under it we will be able to provide greater coverage and greater benefits when crop losses occur. It is logical and proper for an income stabilization plan to be integrated and meshed with a crop insurance program. Crop insurance covers the risks that Mother Nature sometimes inflicts on farmers. Income stabilization will cover economic risks such as the world situation and other conditions over which the farmer has no control.

I agree that the government should be commended for being prepared to put up $50 million or $60 million a year—it might be more than that in some years—out of the national treasury, from all the people of Canada, toward stabilizing the incomes of western grain producers. We all support that idea. But the content of this legislation makes a farce of any proper grain income stabilization program. It completely betrays the principle of a real grain income stabilization program.

● (1540)

I think the government did a deplorable thing when it repealed the Prairie Farm Assistance Act. When it increased its contribution to the crop insurance program it deserved commendation. But there was some $8 million to $10 million left in the old PFAA fund. The Minister of Justice (Mr. Lang) does not want to put that into crop insurance. That is what it was raised for. Levies were imposed on farmers and they contributed to the PFAA fund. It was to help them in the way of pay-outs when they suffered crop losses due to weather conditions and natural hazards. That is what the crop insurance program does now. I would like to know why the minister will not put the money left over from the PFAA fund into the crop insurance program, where it rightfully belongs.

What does the minister want to do? He wants to start his grain income stabilization fund with that money. That money belongs to the crop insurance fund and not to the minister to do with as he pleases. This matter needs to be considered in committee; it is part of the subject matter of the legislation before this House. Even though I have commended the government for its intention to put up $50 million or $60 million per year toward a grain income stabilization program, I want to remind the House that it will not be additional money from Canadian taxpayers; it is money the government had already saved when it succeeded in disposing of the Temporary Wheat Reserves Act. When that legislation was in operation, the Government of Canada paid anywhere from $20 million to $65 million per year as its share of the cost of grain storage in the terminals of Canada. That was a good principle: it should have applied to all grains, not just wheat. But the notion as a whole was to contribute toward the cost of a national inventory or national pantry—storage for the world's hungry.

The burden of those storage costs was not borne by farmers alone; the nation as a whole contributed. For the last two successive crop years the Minister of Justice (Mr. Lang), through the Canadian Wheat Board, has not had to pay a nickel toward the cost of grain storage. The federal government has saved somewhere between $40 million and $120 million just in two crop years. The government plans through this legislation to give out with one hand money it has already taken away with the other hand. I think it is a disgrace that the government no longer participates in a meaningful way in the sharing of grain storage costs from coast to coast, not just in western Canada. This is a national inventory or pantry which is maintained for our customers, for the aid programs we have and for the needy and hungry of the world.

That kind of program should be reinstated, instead of the minister saying that the government is prepared to pay up to $40 million toward grain storage. The problem is that I am afraid he plans to pay up to $40 million toward grain storage but also to hand out grants, loans and what-not to private enterprise commodity exchange types who want to put up inland terminals which will cost farmers more and will destroy hundreds of communities in the prairie provinces which can and should be viable. These communities are composed of two, three or four generations of people who have put in a lifetime of endeavour.

[Mr. Benjamin.]

When I was listening to the hon. member for Brandon-Souris (Mr. Dinsdale) the other day, he said that the old grain stabilization bill of 1970-71 was withdrawn by the government because it was compulsory. He was talking about the participation in the plan proposed under the bill before us. I want to remind the hon. member that that is not why the bill was withdrawn. It was withdrawn because the opposition parties in parliament were unanimous in their opposition to the way it was structured and to the way it was intended to be implemented. Every farm organization was opposed to it, all three western provinces were opposed, and the Minister of Justice was stubborn and refused to listen. It required a court case, involving four farmers taking the government and the then minister of finance to court and applying for a writ of mandamus to force the minister of finance to pay $92 million owing to the Canadian Wheat Board by the federal government. That is what forced the withdrawal of that bill, and thank goodness it happened.

While I admit that the minister has made some improvements in this legislation over the old legislation, it still flies in the face of the principles of a good grain income stabilization plan. It may be called a bill guaranteeing incomes, or whatever expression comes to mind. I notice the Minister of Justice has left the chamber, but I see the hon. member for Battleford-Kindersley (Mr. McIsaac) is here and I want to put on record the position of the province of Manitoba. I should tell the hon. member that Manitoba is presenting its position right now to the Standing Committee on Agriculture. I expect he will receive a copy of this tomorrow, or perhaps I can make one available to him tonight. I want to put on the record Manitoba's position as follows:

> Manitoba Crop Insurance Corporation and the Government of Manitoba are very concerned over the proposed Prairie Grain Stabilization Act as set out in Bill C-41. While we commend the Government of Canada for its intention to provide a greater degree of stability for the prairie grain producers, we have serious reservations with regard to the type of stabilization program that is being proposed.
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> We said earlier that the objective of crop insurance is to provide farmers with a means to protect themselves against serious financial losses caused by acts of nature.
>
> One would assume that the objective of the grain stabilization plan would be to provide farmers with a means to protect themselves against serious financial losses caused by economic events beyond their control. Indeed, Bill C-41 is being portrayed as having that purpose.
>
> We regret to say that if that were the objective of the proposed Prairie Grain Stabilization Act, it could not be achieved by the measures envisaged in Bill C-41. What is more serious in our view, however, is the fact that Bill C-41 does not have as its specific purpose the protection of farmers against losses due to economic events beyond their control. One of the most exasperating aspects of the bill is that it is next to impossible to detect the rationale behind it, and this lack of rationale together with the extreme complexity of the bill makes any attempt at explaining this important legislation to farmers an exercise in frustration.
>
> Yet, since the scheme proposed in Bill C-41 is a contributory plan, farmers should know what insurance they are buying; in other words, the plan must relate to the needs of individuals, and it should be possible for individuals to determine what benefits would accrue to them if the events against which they are insuring themselves should occur. That is a cardinal principle of all insurance plans, be they private, mixed private and social such as crop insurance, or universal social insurance schemes such as workers' compensation, unemployment insurance, hospital or health insurance.

A second cardinal principle of all such schemes is that indemnities are paid to those who experience the ill effects of the event against which the plan provides insurance, and not to others. The proposed Prairie Grain Stabilization Act sins against both these principles; in fact it completely ignores them.

For example, a farmer who insures his crop with Manitoba Crop Insurance Corporation knows what he insures himself for; he knows to what level he will be indemnified if his yield is below the insured level. A worker who pays unemployment insurance knows what he may expect in benefits in the event he loses his job and fails to find another. That is as it should be. In contrast, a person participating in the proposed Prairie Grain Stabilization Act has no way of knowing when he will receive benefits, how much he will receive, or whether he will receive benefits when he really needs them.

Secondly, Manitoba Crop Insurance Corporation will indemnify only those insured farmers who suffered specified losses but will make no payments to all insured farmers because the over-all yield in the province was below the five-year average. Similarly, the Unemployment Insurance Commission will pay benefits to insured persons who lose their job, but will not make payments to all those making unemployment insurance contributions on the basis that there is a slack in the economy. Yet that is precisely what the measures proposed in Bill C-41 purport to do.

● (1550)

In a nutshell, payments will be made by the grain stabilization fund if the proceeds from the sale of a proportion of the prairie grain crop in any year falls below the average proceeds in the previous five-year period, after adjustments have been made for changes in certain—but by no means all—expenses incurred in production. Participating farmers will receive payments proportionate to their contributions. Whether individual farmers actually suffered declines in receipts or income is immaterial under that plan.

If Manitoba Crop Insurance Corporation operated on that principle it could conceivably have taken the $8.2 million paid in indemnities in 1974 and distributed them to insured farmers on the basis of their premium contributions. It is quite possible that farmers with very high yields would have received large payments and farmers with a total crop loss would have received far less.

I am sure the hon. member for Verdun (Mr. Mackasey) will be interested in what comes next:

If the Unemployment Insurance Commission operated on the same principle as the grain stabilization plan, it would calculate for all of Canada the average annual bill for wages and salaries on which unemployment insurance contributions are made, adjust it for changes in the number of unemployment insurance contributors and for certain changes in the consumer price index, and if the adjusted total wage bill fell below the average of the previous five years, the Unemployment Insurance Commission would make a payment to all wage and salary earners. Each would be paid proportionate to this contributions; those who had paid the maximum would receive most; those who had paid less would receive less, and the unemployed who had made little or no contributions would receive little or nothing. We doubt whether such a scheme to "stabilize the net proceeds from wages and salaries in Canada" would meet with the approval of the Canadian people. Yet this is precisely the method "to stabilize the net proceeds from the production and sale of western grain" that has been presented as Bill C-41 to the Parliament of Canada for approval.

Earlier in our submission we commended the Government of Canada for its intention to provide a degree of stability for the prairie grain producers. We are appreciative of the willingness of the federal government to ask the Canadian people to set aside some $50 million or $60 million per year—perhaps more—to be channelled to prairie grain producers if at some future date economic factors beyond their control cause a severe decline in receipts from the sale of prairie grains. While we appreciate the intent, and while we approve of the establishment of a prairie grain stabilization fund, we respectfully suggest that a more rational, more equitable and more effective plan should be adopted than the one proposed in Bill C-41.

Now we come to the meat of the argument presented by Manitoba, and to their proposal. Indeed, this is what we proposed in 1970-71 but the minister refused to listen. I mentioned it again last Tuesday night. The Manitoba brief continues:

We suggest that the present all-risk crop insurance programs operative in the western provinces could be broadened to include price guarantees. Prices for the various crops could be adjusted from year to year to reflect changes in the cost of production and to protect profit margins so that net farm incomes would be kept commensurate with the general standard of living in Canada. By adding price guarantees to the present yield and quality guarantees of the crop insurance program, farmers could be offered a complete package of basic income protection.

The program could be operated by the crop insurance administration presently existing in the western provinces. With a slight addition to staff, Manitoba Crop Insurance Corporation could administer a much more equitable crop and income insurance program than is envisaged in Bill C-41. It would also make it unnecessary to establish a complete, new administrative organization to administer a separate western grain stabilization program.

Above all, the approach suggested by Manitoba Crop Insurance Corporation is consistent with the cardinal principles of mixed private and social insurance, that the insured knows what he is insured against and what his benefits will be, and that payments are not made at random but to those who need them.

Madam Speaker, if that does not tell us that the subject matter of this bill should be referred to the Standing Committee on Agriculture, I do not know what does. If you were to apply the principle of this bill to unemployment insurance or any other social program, the people just would not stand for it. It provides for making payouts to those who get the most—the ones who get the most, get the most; and the ones who get the least, get the least. If that is stabilization of income, I'm a monkey's uncle!

The subject matter of this bill flies in the face of its title and flies in the face of the principle of income stabilization. Surely a simpler and more equitable system would be to guarantee prices. A member of a crop insurance board told me that if they were to administer crop insurance and income stabilization together, all they would have to do is add one column on the crop insurance form. I am not an overly suspicious fellow, Madam Speaker, and I would not want to accuse the government of any political designs on western Canada, so I will give them the benefit of the doubt and accept their intentions as being good. I commend them for trying to stabilize grain incomes.

In the dirty thirties we on the prairies had a bitter experience with the organization of the relief inspectors and the separate, little, private administrative machines. I do not know why the Minister of Justice needs a separate, massive administrative machine to implement a grain income stabilization plan when the machinery is already in place. All four western provinces have viable, functioning crop insurance programs. To its credit, the federal government pays half the premiums but the provinces administer the programs and bear that cost. As well, the farmers contribute to the program.

This is what should be done when grain incomes suffer as a result of things other than natural hazards. If the world market crashes or other economic disasters over which the farmers have no control take place, at that point the crop insurance administration—let us call it a crop incomes insurance plan—should step in. This would be a step in the direction of a real incomes policy in Canada. This is what farmers and farm organizations want to talk about, and they could do so if the subject matter of the bill were referred to the standing committee.

This bill is a real mare's nest. I had a couple of good lawyers look it over and they are still scratching their heads. If anything would cause farmers to lose confidence and withdraw their support from any proposal for grain income stabilization, this is it. That is why we ask that the subject matter be referred to the standing committee. The way the minister wants to apply this legislation flies in the face of the principle of grain income stabilization or any kind of income insurance and opposes the title of the bill. As the Government of Manitoba has said, it would be an exercise in frustration to try to deal with this legislation as it stands. To have farmers ask questions and give information would be a complete waste of time if the legislation were to pass in its present form, because within one or two crop years the majority of grain farmers in western Canada would be so fed up and angry that they would start opting out of the plan. They would realize they had been had again; that this is not an effective way to deal with the wildly fluctuating incomes of grain farmers.

● (1600)

All parties in this House agree we must do something; that never again must the grain industry be afflicted by the wild variations of income which it has experienced in the last 40 years. Although we agree, surely this is not the way to do it. The legislation must be as simple as possible. I submit, on behalf of my party, that the simplest and most practical way of doing it would be to guarantee prices and bring in adjustments related to costs of production so that the incomes of farmers are comparable with the incomes of the other people of Canada. It is as simple as that. The government's payment of $50 million, $60 million or $80 million a year will cover half or two-thirds of the cost of the program. But you will still need premiums. You can make the 2 per cent deduction from the income on grain sales. This could be done when deliveries are made at the elevator, in just the same way as it was done in previous years under the prairie farm assistance program when there was a 1 per cent deduction. That method is simple, efficient and, most important, fair.

I submit that pay-outs should be made on an individual basis and not on a total area basis. I know that the minister and his officials want to come up with some system which will provide for pay-outs on a regional basis as opposed to a basis involving the whole Wheat Board area. That would be an improvement but it is still not good enough. Having a crop insurance and incomes plan will allow for individual pay-outs. Again, it remains contributory: the farmers will put up the money and pay into the plan individually and the deductions are made simply when they sell their grain. Actually, I suspect that a 2 per cent deduction from farmers would be sufficient to cover the premiums of both the income stabilization and the crop insurance programs. I did a little checking this morning and learned that less than 1 per cent of deductions based on grain sales in the province of Manitoba would have more than covered the premiums for crop insurance. If you raised the deduction to 2 per cent or 3 per cent, you would cover the premiums for all-risk crop insurance and income insurance.

A guaranteed price based on the cost of production has been an article of faith of my party for a long time. It was in our election program of 1935, would you believe! We have raised this issue ever since, in every election. We have raised it in every parliament since then. Many countries of the world have done this. It is not socialistic. It is civilized; it is a proper way to deal with such an essential part of the economy of our nation. Moreover, it is the essential and proper way to deal equitably with grain farmers. In my opinion, that principle should apply to all agricultural production.

We are in favour of a system of guaranteed prices related to costs of production, and there should be variations in that to protect the farmer's net income. Since the end of the Second World War Canada has lost 400,000 families from farming; in other words, well over 1.25 million people have been driven from the land because of inadequate economic policies for agriculture. All parties can take some blame for this. Here we have a golden opportunity: we are legislating the beginning of an income program for grain farmers and it can lead the way and be an example to all other sectors of agriculture. Indeed, it can lead the way for all other parts of our economy. This could be a sensible and civilized incomes program.

Unfortunately, the bill is inadequate. Surely, in view of the attitude of the Government of Manitoba, which has criticized the contents of the legislation and pointed out most lucidly how the bill flies in the face of the principles of income stabilization, income guarantees or income insurance, unemployment insurance, hospital and medical insurance and principles to which private plans adhere, the government should listen. The members of the National Farmers Union have said the same thing. I have talked to members of the Saskatchewan Wheat Pool, and made it a point during the winter to talk to as many farmers as I could. These people are all perplexed and frustrated. They do not know what the legislation involves. They do not know what will happen. They do not know what the benefits will be if and when the bill passes.

As the bill now reads, some farmers could be adversely affected. Let me give an example. In my constituency a piece of railway track was washed out over a year ago and still has not been fixed. If the farmers of the area cannot deliver their grain and if their income drops as a consequence, they will not be covered under this legislation. They are not covered unless the whole grain industry suffers. You could also run into this situation: say that in one small corner of the western provinces, grain crops are of poor quality. We know that our customers want high grade, high protein grain. Assume that the rest of the Wheat Board area has grown high grade, high protein grain. Farmers in general have delivered lots of grain and farm incomes generally are high. But in this small corner where the grain is of low grade, low protein content, sales are poor and farm incomes drop. As the bill now reads, there will be no pay-out for them. The province of Manitoba makes the point that pay-outs should be on an individual basis; I submit that point is well taken.

Surely this is the sort of thing we should consider in committee. That is why, before this legislation passes, it should receive the scrutiny of the Standing Committee on Agriculture. The standing committee could spend all summer and fall talking to farmers; it is too late now, because the boys have just about finished spring seeding.

But the committee could start its work in late June and could continue holding meetings during the summer. The offices of farm organizations are open all summer. This might mean that a few members of parliament would have to work for a couple of weeks during the summer, but that is all right; we are already more than well paid and it would not hurt us a bit.

We could meet farmers and farm organizations all summer and return to this House in early September with a report and recommendations to the House on the basis of which the minister and his officials could draft a bill. We could get it through quickly and it could be the law of the land. We could establish a real grain income stabilization program which would be a crop insurance and income insurance program. It would be administered by the four western provinces, and the farmers would contribute to it. The government would contribute, but the provinces would pay the cost of operating the plan and each farmer would be eligible for benefit on an individual basis. The farmer's income would be protected.

Surely that is the least we can do. It is what we must do. Attempting to deal in committee, let alone in the House, with the legislation as drafted will result in nothing but frustration for farmers. As Manitoba says, it will be an exercise in frustration for all. So far as I am concerned, only the organizational genius of an ex-dean of law could implement a bill which reads as this one does. That reminds me of a story which happened in Britain. When the British parliament brought in rationing under Sir Winston Churchill's government during the Second World War, Nye Bevan got up and said something like this, "Mr. Speaker, England is an island full of coal, set in a sea full of fish, but only the organizational genius of the prime minister can see to it that we shall ration both."

● (1610)

Well, farmers in western Canada can grow grain like you wouldn't believe. Sometimes it is good quality, and sometimes it is not so good. Sometimes the crops are poor, and sometimes they are affected by events over which they have no control, whether is it weather or international developments or the Liberal government. But they have the ability to grow the stuff and they have the wherewithal, the machinery to ensure their incomes.

I can just see what the workers around London, Ontario, would say if you implemented an unemployment insurance program the same way as this grain stabilization program. You would have a riot on your hands. There is not a worker in the country who would stand for it. It is sheer nonsense for any government to be so dumb as to try to bring in legislation of this nature. I urge the government to study carefully what Manitoba is saying today before the committee on agriculture: they have five or six pages on what is wrong with the grain stabilization bill and what an income program should be, and they put it most succinctly and, I know, sincerely and positively. They are not looking for any fight with the federal government. They are, in a positive way, asking parliament and the government to reconsider its approach to a grains stabilization program.

The least we can do is take the subject matter of this bill to the farm organizations, the municipal organizations, the provincial governments and the crop insurance boards of all four western provinces, ask them how they would like it done and if they would like it done this way. If we did not get an almost unanimous negative response, I would be very surprised.

The Acting Speaker (Mrs. Morin): Order. I am sorry to interrupt the hon. member, but the time allotted to him has expired. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): The question is on the amendment in the name of the hon. member for Grenville-Carleton (Mr. Baker). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mrs. Morin): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Morin): In my opinion the nays have it.

And more than five members having risen

The Acting Speaker (Mrs. Morin): Call in the members.

The House divided on the amendment (Mr. Baker, Grenville-Carleton) which was negatived on the following division:

● (1620)

(Division No. 45)

YEAS

Messrs.

Alexander	Hnatyshyn	Munro (Esquimalt-Saanich)
Alkenbrack	Hogan	Murta
Andre (Calgary Centre)	Holmes	Neil
Baker (Grenville-Carleton)	Horner	Nielsen
Balfour	Howie	Nystrom
Benjamin	Huntington	Oberle
Blackburn	Hurlburt	O'Sullivan
Broadbent	Jelinek	Paproski
Clark (Rocky Mountain)	Jones	Patterson
Clarke (Vancouver Quadra)	Kempling	Peters
Cossitt	Knowles (Winnipeg North Centre)	Reynolds
Crouse	Knowles (Norfolk-Haldimand)	Ritchie
Diefenbaker	Korchinski	Roche
Dinsdale	La Salle	Rodriguez
Douglas (Nanaimo-Cowichan-The Islands)	Lawrence	Rynard
Ellis	MacDonald (Miss) (Kingston and the Islands)	Saltsman
Elzinga	MacLean	Schellenberger
Epp	Macquarrie	Schumacher
Fairweather	Masniuk	Scott
Forrestall	Mazankowski	Skoreyko
Fraser	McCain	Smith (Churchill)
Gillies	McCleave	Stanfield
Halliday	McKenzie	Stevens
Hamilton (Qu'Appelle-Moose Mountain)	McKinley	Stewart (Marquette)
Hargrave	McKinnon	Symes
	Mitges	Towers
	Muir	Wenman
		Wise
		Woolliams
		Yewchuk—82.

NAYS

Messrs.

Abbott
Allard
Allmand
Anderson
Andres (Lincoln)
Béchard
Bégin (Miss)
Blais
Blaker
Boulanger
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caouette (Témiscamingue)
Caron
Chrétien
Clermont
Collenette
Comtois
Condon
Corriveau
Côté
Cullen
Danson
De Bané
Demers
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Dupras
Duquet
Ethier
Faulkner
Flynn
Foster
Fox
Francis
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Landers
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Saint-Henri)
Lumley
Macdonald (Rosedale)
MacGuigan
Mackasey
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Parent
Pearsall
Pelletier (Hochelaga)
Penner
Philbrook
Portelance
Prud'homme
Railton
Raines
Reid
Richardson
Roberts
Robinson
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—112.

● (1650)

Mr. Speaker: I declare the amendment lost. Is the House ready for the question on the main motion?

Some hon. Members: No.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the bill before the House deals with one of the most fundamental problems facing farmers in Canada. We have just seen the government apply the whip to the Liberal members to vote against the interests of farmers whom they are supposed to be protecting.

Some hon. Members: Shame!

Mr. Hamilton (Qu'Appelle-Moose Mountain): In the amendment which was just defeated, government supporters turned down a simple request that before we decide on the important principles in the bill farmers should be given a chance to express their views.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): In speaking on this amendment, I made it very clear that all parties in the House wish to provide for agriculture in all parts of Canada some form of insurance against instability of income. Yet, when we asked the government to let the principle of the bill be put before the farmers and let them decide whether they want it, the government refused that simple, democratic right to the farmers of western Canada.

[The Acting Speaker (Mrs. Morin).]

When we proposed that one of the things that was concerning farmers in western Canada was that this was an agricultural matter, and agricultural matters should be the responsibility of the Minister of Agriculture and not of the Minister of Justice—the latter should look after matters such as abortion, which has nothing to do with grain income—the government refused to consider it. If we could only get the Minister of Justice off our backs a great deal of confidence could be engendered in the agricultural industry.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): On the vital principle of voluntary or compulsory participation, the government refuses the farmers the right to decide what they want. Now we have to go into the committee with these principles established as the will of parliament; but I can assure you, Madam Speaker, that they are not the will of the farmer.

I did not speak in the early stages of the legislation for the simple reason that I wanted the House to hear the viewpoints of members of parliament who represent the farmers of western Canada, and most of them are on this side of the House. For 70 years, western Canada has borne the burden of Liberal parties on its back. For 70 years we have felt in the west that no one gave a damn for the interests of the western people. For years western farmers tended to be Liberal. Now you can see all across the country the reason why they are not any more, because when you ask for a chance for the farmers to express a view it is not given to them.

In spite of the minister in charge of the Wheat Board (Mr. Lang) and in spite of the whip the government applied to its members today, this bill is required in western Canada although not in the terms in which it is couched. This bill aims to do something that we have been talking about in the west for 35 years. I know that the Minister of Agriculture (Mr. Whelan) will agree with me when I say that one cannot solve the problems of agriculture piecemeal; they must be dealt with as a package. Just as we in the west know that we cannot attack the problem of the costs of agriculture, which are rising at 20 per cent a year, until we have resolved the problems of the people who live in the high-cost areas such as cities, so the city people in the east should recognize that they cannot solve their problems until we give a fair and equitable economic basis to all sections of the community—and that includes farmers. This bill should be part of a package; and the five points in that package are clear. The first point in building an agricultural policy should be the marketing of the produce of the farm to the people of the world who need food. The second principle should be stability of price. Over the last number of years, parliament has tried to deal with that problem through the Agricultural Stabilization Act which was put into place in 1959 and is being amended

by the House now. It stabilizes prices to a degree and it is an insurance purely against disaster. It is a type of "stop loss" legislation, but it is fundamental as a base on which to build.

The third principle is stability of income. We have tried to deal with it under crop insurance. Crop insurance deals with the weather, and if you look at the statistics for western Canada today you will find that nearly two-thirds of all the farmers in the three prairie provinces have now educated themselves to the advantage of contributing to a fund that will protect them in times of crop loss. But that alone is not enough. The tremendous dips and dives of income over the last 70 years in western Canadian agriculture have made it the most risky of any industrial segment in Canada. It is this question of stabilizing incomes that this bill is all about. Before concluding the question of stability of incomes I should mention the other points in the package.

The fourth point is a modern system of farm credit. During the last 15 years, governments led by the right hon. member for Prince Albert (Mr. Diefenbaker) and Liberal governments have tried their best to give us a modern system of farm credit, and in general it is doing very well.

The Acting Speaker (Mrs. Morin): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translations*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Health—Immigrant medical students—Request for data on willingness to serve in general practice and in remote areas; the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack)—National parks—Rideau-Trent Canals—Authorization of tolls—Estimate of revenue; the hon. member for Nickel Belt (Mr. Rodriguez)—External Affairs—Namibia—Government action to prevent Falconbridge Mines from exploiting workers and end privilege of claiming foreign tax credits.

[*English*]

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

Canada Elections Act

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mrs. Morin): Third reading of Bill C-208, an act respecting National Heritage Day.

Mr. Reid: Madam Speaker, I think you will find there would be agreement to considering Bill C-232 standing in the name of the hon. member for Crowfoot (Mr. Horner).

The Acting Speaker (Mrs. Morin): Shall orders Nos. 8, 34, 3, 4, 10 and 24 stand?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Morin): They stand at the request of the government.

* * *

● (1700)

CANADA ELECTIONS ACT

PROVISION TO REVOKE PRIVILEGE OF VOTING BY PROXY IN FEDERAL ELECTIONS

Mr. J. H. Horner (Crowfoot) moved that Bill C-232, to amend the Canada Elections Act (proxy voting), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Madam Speaker, a member of this House putting forward a private members' bill in the first instance wants to do two things: he would like to accomplish what his bill outlines, and if he is not successful in that he would like to direct the attention of the government toward the problem with which the bill deals. In this case the bill deals with the question of proxy voting. To me, the principle of one man, one vote is a sacred privilege which is part and parcel of most western democracies, and is a principle we should not tarnish in any way.

Many arguments have been made in the cause of proxy voting. Proxy votes are sought after and fought for in corporations and corporate empires. Some bitter feuds and fights take place over proxy votes in the corporate structure. It is not impossible to envisage proxy votes causing fights and squabbles within a constituency. It is a matter of who gets to the person who is unable to vote first, and in some instances who has him sign the paper. Then he is locked in, in the sense that his voting privileges are taken away while the facts or issues of the election may not have been explained to him. A voter may say, "It is nice of you to call. You knew I could not vote because I will not be in the country on voting day"—or it may be because of ill health—But it was nice of you to call and for that reason I will give you my vote." Three or four days later somebody may come along and reveal a different situation to the same voter, and the voter would have to say, "I am sorry, but I have given my proxy vote to your opposition." That situation could arise.

Much argument for proxy voting is sometimes centred around the thought that people who are hospitalized during an election cannot get to the polling station to vote. That is true in a federal election. It has never been

explained to me why, in the province of Alberta, for example, ballot boxes in provincial elections have for years been taken to hospitals and hospitalized people have voted, but that in a federal election we are repeatedly told that that cannot happen, that the person has to appear at the polling station. In cases where they cannot, we now have the provision of proxy voting.

I think before the principle of one man, one vote is eroded in any way—this is merely a very small way but everything starts somewhere—all other avenues should be examined very closely. A case can be made in regard to invalids; they must have a doctor's certificate. A case can be made for a fisherman or prospector who is out of the country and therefore not able to vote.

It is interesting that from time to time we have 75 per cent or 78 per cent of the population taking part in a federal election. Sometimes the figure is closer to 70 per cent. In provincial elections it is lower than that, and in municipal elections lower still. It is interesting to note how many more people proxy voting has brought to polling stations and how many more fishermen and prospectors really wanted to take part, and took part, in the democratic procedure of voting. In the 1974 election, 6,915 people made use of the proxy voting privilege. That, to me, is a minuscule number. I would suggest that those who did use that privilege were badgered by political legmen from various political parties. If they had not been badgered, they might have showed up on voting day in any case.

An hon. Member: The Conservatives are guilty of that.

Mr. Horner: Conservatives are guilty of that, yes, but I would like to think they are no more guilty than Liberals.

I do not appreciate the erosion of the principle of one man, one vote. The other system works fine in a corporate structure where big business deals with money; money buys power, power buys votes, and so forth. That kind of thing has gone on for years within the corporate structure, but I do no think it enhances our democracy to see it within out voting system.

Proxy voting will remain if my bill tonight is defeated, but if it is sent to committee I would suggest that the committee consider its application. With proxy voting today, the returning officer has to witness the signature of the person who wants to give up his right to vote. That may work well in a city riding where there is a high population density, such as in downtown Toronto, Montreal, Calgary or Edmonton. I can say that it does not work very well in a widely scattered riding where the returning officer may live in one corner of the riding.

Mr. McKinley: He has to drive miles and miles.

Mr. Horner: That is quite right; the returning officer had to drive miles and miles to an invalid, to people who are not going to be in the constituency, to people who are leaving on holidays or for prospecting, and to students who are out of the constituency. Students out of the constituency now have the right to vote at the university they are attending. There should be greater safeguards if proxy voting is to continue. The committee should propose greater safeguards against abuses which may arise. That will certainly make the application of proxy voting apply more fairly throughout the various parts of one's constituency and throughout Canada.

I believe that proxy voting opens the door to widespread abuses which will only grow as people become familiar with the concept. It is interesting that in the 1972 election there were 1,309 people in rural areas who used proxy voting. In urban areas—basically, city and suburbia—8,389 people used proxy voting. I think that clearly demonstrates that it is a privilege given to those living in proximity to the returning officer and not to those living miles away.

It is of value to our democratic system that steps should be taken to allow hospitalized people to exercise their federal vote as they do their provincial vote. We should not weaken the importance of the duty of the citizens of Canada. We should not minimize that duty by allowing them to barter their vote to someone who may suggest that their interest will be looked after; that if they sign a piece of paper the right man will be elected.

● (1710)

This bill is a small thing, but so are most initial steps. We must face the fact that the abuses of proxy voting will increase. I choose this way to register my opposition to anything which lessens the duty that each man assumes when he accepts citizenship. We see lobbying for votes going on within the power structures of corporations. Sometimes such votes are bought and sold, and there is nothing to stop this happening in our democracy. While we might say it will never happen, that such things do not happen in elections, we all know that elections cost money. A voter wants to know what promises the politicians will give in the way of legislation or better treatment for people.

We have just witnessed the evils uncovered by Watergate in the United States and I think it is safe to say that most Canadians were upset. I am not suggesting that proxy voting at some future election would cause a similar situation in Canada, but it could be the beginning of something nearly as bad. I know, Madam Speaker, that my conscience will rest a little better from having put this bill forward at this time. I hope the House will send the bill to committee so that the whole question of proxy voting can be examined by the Standing Committee on Privileges and Elections.

Mr. Gilbert Parent (St. Catharines): Madam Speaker, I do not think the hon. member for Crowfoot (Mr. Horner) and I disagree on the substantive issue of proxy voting, although there might be some disagreement on the procedural aspect of the question. The history of democracy is tied to the right to vote, but the right to vote should not be moulded to fit a system. Rather, the system should be flexible enough to permit that all qualified people, all citizens, will have the opportunity to vote. The hon. member for Crowfoot said that voting is a privilege. I might add that it is also a right and duty. It is not a right that was arrived at by simply talking about freedom. He also said that due to the abuses of proxy voting, people might be badgered, I think was his word. It is my understanding that in a democracy such as we have in Canada, we subscribe to the idea of advise and consent.

The hon. member pointed out that only 6,900 people voted by proxy in the last general election. That is a minuscule number compared to the total number of voters, but it was an important opportunity for those 6,900 people who exercised their right to vote. This is about the same number as voted by proxy in 1972, but we should remember that in 1972 many more students used the proxy vote because school was out at the time of the vote.

In a press release of September 12, 1972, Jean-Marc Hamel, the Chief Electoral Officer, estimated that at least 10,000 eligible citizens studying overseas would be left out of the voting procedure: a great number of people living or working overseas before the date of the first advance poll would be left out as well. The only people outside Canada who could vote in the election were civil servants, members of the armed forces and dependants of both categories. These numbered approximately 110,000. Their ballots were taken prior to election day so that they could reach Canada in time to be counted with the regular election returns.

The problem for students arises in determining the place of ordinary residence, particularly in the case of the single student living away from home but who still has his residence in the home of his parents or guardian. In the instructions to student voters away from home, four categories are defined. Married or single students living at home offer no problem; they simply vote at the polling division in which their home is located. In the case of married students, this would be the residence where they were physically residing on enumeration day.

The single student on his own, in other words financially independent of his parents, can vote where he is physically residing on enumeration day. The single student living away from home but dependent on his parents or guardian is the only one eligible to vote by proxy. This is a multistep procedure involving a variety of forms and is outlined in the Canada Elections Act.

Many people who were interested in having a voice as to who would govern the country were disappointed at the timing of the last election. I do not place the blame on either side of the House for that, but accept it as a *fait accompli*. These people felt cheated, however, because they were not able to vote and because as the law stands they were not treated as equals.

I suggest that proxy voting is not the only way we can get around our problems, but it is the one way we have devised to solve the problem of those who want to take advantage of their rights as citizens of Canada to have a voice in their government. I put forward another suggestion: perhaps we should consider establishing a permanent voters' list. It does not seem fair that we should do all this in such a rush. The hon. member mentioned that there were abuses.

● (1720)

[*Translation*]

Of course, errors may be made but they are errors of omission and commission. Efforts must be made to ensure that all Canadians have a chance to vote for the men and women who will represent them in this House.

[*English*]

I urge, as does the hon. member for Crowfoot, that more consideration should be given to this question. Let us assure all our citizens that they have a voice; that they have a chance to mould the future or our beloved Canada.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, there are occasions when my hon. friend from Crowfoot (Mr. Horner) comes into this House with good ideas. There are days when he makes an awfully good case, whether the idea is good or not. I do not think this is one of those days. Actually, so far as this bill is concerned it does not matter whether it is rejected or talked out. I do not think it should get any more consideration than it will be given during the present private members' hour.

The hon. member for Crowfoot talked about abuses. No doubt there are abuses under the Canada Elections Act and there are abuses in election campaigns; but I submit that the percentage of abuses involving proxy voting is perhaps the lowest there is in the whole election machinery. The hon. member gave the statistic I wanted, that in the last election 6,915 persons exercised the proxy voting privilege. If you divide that figure by 264, it comes out to an average of 26 per constituency. That makes sense to me, because in my constituency, Winnipeg North Centre, the number was about 18.

I can go further and say I checked the list at the office of the returning officer in my constituency. I found that I knew, or knew of, just about every name on the list; I knew those who were for me and those who were against me. Most, of course, were for me. It was clear to me that every one of them was a person who was in hospital or in a nursing home, or confined to his own home and, hence, not able to cast his vote except under the provisions of the proxy voting regulations. The 18 votes in Winnipeg North Centre did not make any difference to the outcome of the election in that constituency, and I suggest that the 6,915 votes across Canada did not make any difference to the make-up of this parliament. But, as the hon. member who just spoke so well put it, their privilege to vote made a great deal of difference to those particular persons. They were given a right to participate in a general election, a right which previous to 1972 such persons did not have.

Actually, I think this is one of the most humane improvements we made to the Canada Elections Act the last time we revised it. We did not make a sweeping change that could result in a different outcome at an election, but we respected the right of the ill, the handicapped and the shut in to exercise their franchise at election time. It was the humane and decent thing to do, and I hope that under no circumstance will this House consider revoking that right. That, of course, is what would happen if the bill before us were passed.

Some changes still need to be made. Perhaps the proxy voting system needs to be enlarged. I found that a half dozen or more people who wanted the right to exercise a proxy vote under the regulations were not able to do so because the regulations are just a little too strict. I remember, when we were enacting this legislation, that we accepted the proposition that we had to tie it up so tightly that there would not be abuse. Perhaps what we should

look at is not a proposal to cancel this right but a proposal to extend it.

In the same way, we must consider the whole question of advance polls. In this area we run into many frustrating experiences. The advance polls are further ahead now than they used to be, and they do accommodate quite a number of people, but in every election there are individuals who will be away and who will not be able to vote either on the general polling day or at the advance polls.

We must also consider the question of absentee voting, which now takes place in a number of provinces but still does not apply in a federal election. My hon. friend from Crowfoot says we must guard against abuse and make sure we do not erode the integrity of our electoral system. But, on the other side of the coin, we must make sure that every Canadian citizen who has the legal right to vote has that right in a practical sense. Therefore, I hope the House will not support this bill. I have no objection to the hon. member's introducing it, in the sense that by doing so he has raised election issues. It gives us a chance to air some of these things, and I express the hope, already expressed across the way, that we will take another look at advance polls, absentee voting, and so on.

When we talk about proxy voting, I think mainly of those who are ill. I think particularly of a quite well known woman in Winnipeg, a victim of multiple-sclerosis who spent a long time in hospital and who worked for this right to vote for many years. I think of how much it meant to her when, after years of not being able to vote, she was able to do so. I think that a large percentage of the 6,915 people who voted by means of proxy in the last election were Canadian citizens who suffered from illness of one kind or another, and they feel just a little better as Canadian citizens because they had the right to vote.

I emphasize that under the proxy regulations there are serious restrictions: the proxy has to be obtained in advance of election day; there must be a visit to the office of the returning officer; there must be various signatures, and so on. The person who will do the proxy voting has to be on the list in the same polling division as the person for whom the proxy vote is to be cast; he must be acceptable to the person for whom he will vote, and no one may cast a proxy vote for more than one person. I suggest that the protections in the regulations are pretty good; that we should not restrict this right but, rather, that we should look at the other side of the picture and make sure we are providing all possible ways for Canadian citizens who have the legal right to vote to exercise that right, in fact, on election day.

I have been rather strong in my criticisms of the bill proposed by the hon. member for Crowfoot. Perhaps he likes it that way. I am glad he raised the issue and gave us the chance to have this discussion, but hope this bill will not pass. I want the proxy vote to remain.

● (1730)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I want to make a few remarks on Bill C-232 introduced by the hon. member for Crowfoot (Mr. Horner). First I want to congratulate him for the courage he has demonstrated in introducing this bill. At first sight, I had felt that proxy voting would provide a few more people with the right to vote. This legislation is very difficult to administer. In my own riding, a number of people tried during the last election to avail themselves of this proxy voting. It is quite an involved process, as the hon. member for Winnipeg North Centre (Mr. Knowles) indicated a while ago: obtain the necessary papers from the returning officer, meet the person who will not come to vote and obtain a proxy to cast a vote on his or her behalf. There are people who will cover 100 or 125 miles to fetch a little piece of paper. During the last election, in my own riding, a farmer with the best intentions wanted his son, a university student, to vote. He took the necessary steps, spent three or four days getting all these papers together, and when voting day came, he went to the poll to cast a vote on behalf of his son, just to be told that a student had already been there to cast a vote on behalf of his son. It happens sometimes that overly zealous people go and vote on behalf of others. With such a system as the one we have now, a person can very easily vote for about 10 others the very same day.

Such irregularities will occur so long as we do not have the identity card called for. I could give evidence to support my case. The big parties have it very easy today. They have a majority and are well organized. As for us, the cost of contacting in our ridings for instance a hundred or so people who would vote by proxy and ensuring that it is done in an orderly way would be prohibitive. A special collection would have to be made to pay the costs of getting in touch with those people. In my riding, three persons voted by proxy. And when I was asked for explanations I said: Don't make useless applications, it is too much trouble, costs too much and leads to nothing.

So, we might as well cross out the amendment, but anyway it is before the House and I am sure the government will want to let things stand, but there are other ways. I heard someone say earlier: It seeks to allow all people, as many people as possible, to vote. I would agree if that enabled everybody to vote, but vote themselves, and not have somebody else vote for them. There is a difference, because no one knows whom the person who will do the proxy voting will vote for.

With respect to proxy voting, we are told that people who have to stay in hospital cannot go to the polling station. I wish to draw the attention of the Chair, because it is a point which will require an amendment from the government. To end the ridiculous situation in hospitals, we should take up the method used in the provinces, establish one, two or three polling stations, and go from one room to the next, as in Quebec, to have everyone vote themselves instead of voting by proxy.

At the last election, we were told there would be a polling station in the hospital, and suddenly the organizers of a large party decided that, since there were too many Social Crediters in there, there would be no polling station in the hospital. We lost 510 voters, because 80 per cent of those people in the hospital voted for me. So they just closed the polling station there. This is merely an indication—

I did not care, Madam Speaker, I had enough people voting for me, but those people were not given the opportunity to exercize their rights as citizens as freely as

anyone else, and that is the point I am making, that it is not fair. They should, yes—

An hon. Member: In cities—

Mr. Gauthier (Roberval): That goes on to a larger extent in big cities. I have already seen what happened in cities. The same kind of thing went on on a larger scale in hospitals. They say it is not possible to have everybody vote by going around bedrooms. In large hospitals, if one voting station is not enough, they set up two, three or four. But in my constituency, they even established voting stations at the last minute for 50 voters in the forest. A poll was opened and delegates had to be sent 125 miles away to lumberjacks who had already voted on Saturday in their parishes, before leaving. They had already voted in their parishes. A poll was opened for them. That is why I say it is very easy, because we must not forget that all lumberjacks come down from the forest on Friday nights. They know very well that there are temporary polls. No need to fear, the temporary polls close. They have a poll in the forest. This often doubles the number of voters. I would be in favour of establishing many polls in hospitals so that all sick people may be visited and vote in their rooms.

All the provinces do it: why couldn't the federal government? Why? At the provincial level, it is considered fair; it would only be fair and equitable for all the sick to be able to vote in their rooms. To my mind that is the main point. Even if this bill was introduced merely to discuss this point, I invite the government to study it, because the problem exists right across Canada.

I had an unfortunate experience in my riding, but for the sick people, every election is an unfortunate experience. Of course, after the election, it is maddening to have 500 fewer votes than were expected! But what revolts me is that the democratic system is not respected by small time politicians who exist to foul everything, to keep those who do not share their ideas from voicing theirs. As for me, I respect every party in my riding, whether blue, white or red, and that is why almost everyone votes for me because I respect and defend them. I went to these hospitals, and was asked to bring this to the government's attention, in order that this same error does not happen next time. Because errors of this kind happened a number of times. And then there is the identity card error.

We have been proposing the identity card for more than ten years. This would be fair to the voter. After all, everyone has his social security number in his pocket. Why not add a photograph, this would double up as an identity card. The voter coming to the poll with his identity card cannot be mistaken for somebody else. But of course this would not suit the old parties.

With everything that is being done at election time, democracy is going down the drain. Quite often families living next to a poll do not vote, through laziness or otherwise. I believe the Canada Elections Act should be more stringent. Voting should be compulsory. If a citizen is too lazy to do his duty, he should be forced to. I also found it has come to the point where you have to pick up people at their homes so they will vote. Sometimes people living next door to the poll. If you do not pick them up, they will not vote. Can you imagine that? And then they say they have done their citizen's duty. I welcome this bill because it gives us an opportunity to point out to the government weaknesses in our electoral legislation. We are all elected members, and we are all interested in bringing justice to the people. Even if the bill is not discussed in committee, I expect the government will bring some amendments to the Canada Elections Act, which is often somewhat undemocratic.

● (1740)

[*English*]

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, we have always had the belief out west that the eastern barons were after us, and I am very surprised to hear that the hon. member for Crowfoot (Mr. Horner) is going to be put in the class of these eastern barons, because obviously he is trying to take something away from the west. Perhaps I should not just say the west because the same thing could be said of the east coast. If the hon. member has not heard, we have a fair fishing industry along the west coast of British Columbia, and I understand the same can be said of the maritimes.

I think the hon. member for Crowfoot would have to agree that one thing the government should not be doing is trying to discourage people from voting. We have enough problems getting people to realize that the government they elect will control their lives and that they cannot be apathetic about voting. If the hon. member for Crowfoot had mulled this bill over a bit he would have realized that it is not the role of a government or politician to discourage people from voting.

I am glad to see the hon. member has come back into the chamber, because I want to tell him that in the northern part of my riding we have no roads or railroads. But we do have people who are prospectors, and although they do not have television sets or radios in many instances, they do have proxy voting. And here is the hon. member for Crowfoot trying to take away one of the few small things in life that these people up there have. At least at election time they have their proxy and they can vote. It may not be much, but they do have a proxy vote.

Perhaps I am being a little facetious in saying this, but one of the experiences I had when I ran for the first time in the last federal election was going to hospitals where there were people who were either sick or infirm because of age, and I was surprised at the amount of interest shown by them and at what it meant to them to be able to vote. I am sure many members must have had the same experience. It certainly brought something into their lives. This may sound a very small point, but when people are infirm, especially the elderly, an election gives them something to talk about among themselves, something to which they can look forward.

Mr. Horner: Would the hon. member permit a question?

The Acting Speaker (Mrs. Morin): Will the hon. member for Comox-Alberni permit a question?

Mr. Anderson: Certainly, Madam Speaker.

Mr. Horner: Seeing that this bill is going to be talked out, we might as well understand each other very fully.

May I ask the hon. member this question: in provincial elections in the province of British Columbia are there ballots in the hospitals? There are in Alberta, and I understand in Ontario.

Mr. Anderson: I believe there are, Madam Speaker. I hope the hon. member will not use me as an authority on this because, to be quite honest, I am not sure whether they have them in hospitals or not.

Mr. Horner: Why not have them in hospitals for federal elections then?

Mr. Anderson: The hon. member asks that question. I wish he had asked me a question about proxies for fishermen, if he thinks a different system should be used in our hospitals. Has the hon. member any question about a system that we can bring in to give fishermen out on the seas the same right to vote as the hon. member for Crowfoot?

Mr. Horner: Surely fishermen would find election day a pretty stormy one for fishing.

Mr. Anderson: Obviously the hon. member does not have this problem in his riding, so I can appreciate the fact that he is not concerned about fishermen. However, I think the hon. member must treat all Canadians fairly, and surely those who are covered under section 46(1), I believe it is, of the act, namely fishermen, mariners, prospectors, people absent due to illness or physical incapacity, or full-time students absent at Canadian educational institutions, should be encouraged to vote at election time.

Mr. Horner: They have the advance poll.

Mr. Anderson: Would the hon. member like to put a question?

The Acting Speaker (Mrs. Morin): Order, please. We are not in committee of the whole.

Some hon. Members: Hear, hear!

Mr. Horner: Could I ask the hon. member a question?

The Acting Speaker (Mrs. Morin): Would the hon. member allow a second question, which will be the only question put?

Mr. Anderson: Yes, Madam Speaker.

Mr. Horner: The hon. member is obviously short of words. If he has to talk the bill out until six o'clock, I might as well help him out. Do the people in his riding take advantage of the advance poll; and does he realize that only 1,300 people in rural ridings took advantage of the proxy vote? I suggest that those 1,300 could have been taken care of by having ballots in hospitals and by greater use of the advance poll. So far as election day last year was concerned, July 8, does he not agree that the advance poll fell on a particularly difficult day—July 1?

Mr. Anderson: I think the hon. member is sincere in his question. First, I do not know the exact number in my riding who used the proxy vote. I do know that in 1974 in British Columbia 650 people used the proxy vote. Interestingly enough, in 1972 the number was 601, so the two figures were very close.

My point, which I think was emphasized before, is that I do not care if there is only one person who took advantage of the proxy vote in British Columbia—I would retain it in British Columbia for that one person, to make sure that all those who wished to vote have the opportunity to vote. I do not think the hon. member realizes that many fishermen do not go out to fish just for a day or two but for several weeks at a time. These are the sort of people we should be considering, just as we should consider prospectors. I do not think people fully realize that all Canadians do not live in cities, that all Canadians do not have the same facilities.

If I were asked for suggestions to improve the situation, I would extend proxy voting to the sort of person who works in the woods, who lives in Vancouver but works on northern Vancouver Island. These people should be given proxy voting because they are away from home for several weeks at a time, and they do not return home from a distance of 400 or 500 miles just to vote. As I said earlier, it is the responsibility of the government to encourage people to vote, not to discourage them.

I suppose I will be accused of speaking against this bill, and I apologize—I should not have used the term "baron from Alberta". However, sometimes we regard them as easterners too.

I was interested to note that Ontario and Nova Scotia headed the list in federal proxy voting. My theory is that we have not done a good enough job telling people about the proxy vote. I do not think people do not wish to use the proxy. Our information service has not been of the highest calibre. This is a relatively new act, and the 1972 election was the first one in which it took effect. As time passes I hope that more and more people will realize this right does exist and will utilize it. It is up to me and to the hon. member for Crowfoot to do the job of making sure people are aware of this.

● (1750)

I would seriously oppose the suggestion that this privilege of voting by proxy be taken from people who, because of their occupation, are unable to attend the advance polls or the polls on election day. Perhaps we do not have the facilities in my area that the hon. member for Crowfoot has, although his is a rural riding also. The northern part of Vancouver Island lacks roads and certainly railroads, and in many cases boats are the only form of travel.

The provision for the proxy vote was well designed to meet a certain need. In the area of the hon. member for Winnipeg North Centre (Mr. Knowles) I would assume that the proxy vote is used by people who are in hospitals. This is a humanitarian provision adopted by the government and members of parliament. It has been extended to those people who would not be able to vote normally. Surely hon. members agree with the principle. There may be different ways of carrying this out, but surely we all agree that the proxy vote has been a good provision. I suggest that anything we can do as members of parliament to encourage the Canadian public to vote is a step in the right direction, and I say that very sincerely.

Mr. Leonard C. Jones (Moncton): Madam Speaker, I should like to say a few words on this matter in the short time we have available. I believe this has been a worthwhile and constructive discussion if nothing else, and for that reason, and because he had the courage to bring this matter forward, the hon. member for Crowfoot (Mr. Horner) deserves congratulations. This is the type of thing that should be discussed at times in the House.

Mention has been made by the hon. member for St. Catharines (Mr. Parent) of a permanent voters' list. Perhaps this is something that should be considered along with the suggestion of placing ballot boxes in hospitals, nursing homes, and elsewhere. There should be a better method for mariners, prospectors and fishermen to exercise their right to vote. These and other matters have been considered today. Does the government really intend to consider ideas and suggestions of this nature? These are things that should be given some priority of attention within the duration of this parliament.

There is one thing that does bother me in respect of the proxy vote provision contained in the Canada Elections Act. Citizens have the right to vote, and it is a right. We should make it convenient for all citizens to exercise that right. The thing that bothers me is that this provision does not enhance the right to vote, it provides an individual with the right to transfer that vote to somebody else. The right to vote should be a personal thing. The vote is a right one must exercise by one's self. I believe the intention of the government and parliament when this measure was enacted was to give those persons listed in Section 46 the opportunity to vote. I wonder if the provision does not in fact give them the opportunity to transfer that right.

There are several sections of the Canada Elections Act that should be deleted or amended, and I should like to take this opportunity to refer to them in the House. One involves the requirement that the leader of a so-called recognized party, or his delegate, must provide a certificate to be filed with the nomination papers of a candidate. To my mind this is very undemocratic, and this act should be democratic, just like the right to vote and the right to be a candidate. These should be rights just as is the right to exercise the franchise in as convenient a manner as possible, without coming under a fascist rule.

I trust this discussion will be considered by the government and that something will come of the comments that have been made here today on some very worthwhile and necessary matters.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I am overwhelmed. I should like to say in the few minutes left to us that we have had some discussions to determine what can be done to provide an opportunity for members of parliament to take a close look at the Canada Elections Act. It has been the practice in past parliaments that after an election has taken place there should be an opportunity for members to have a close look at amendments to the act and to promote ideas they have to change it, bringing it more in line with changes that have taken place in Canadian society.

I might say that the idea for a proxy vote arose from the discussions that took place in the privileges and elections committee following the 1968 election. Anyone who looks at the regulations governing the proxy vote will find that not only is the act drawn very finely, but the regulations which permit those people qualified under the act to participate in proxy voting are also drawn very narrowly. We have experimented through two elections with the proxy vote, and I think most members would say this has worked out reasonably well and the abuses we feared have not developed.

There are other groups in society who should be provided for under the act. We should be looking at other areas in order to extend the opportunity to vote in Canadian elections to as many eligible people as possible. While the proxy voting procedure may not be the most ideal, perhaps there are other ways in addition to the suggestion of the hon. member for Moncton (Mr. Jones) of allowing people to cast their votes without having to go through the necessity of delegating the right. In the period of time we have from the opening of advance polls it may be possible that the returning officer in a given community could go around to those places or residences of those people who are unable to get out to vote. Perhaps the ballot boxes could be taken along in order that they might cast their votes in the way ordinary people can do so.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN STABILIZATION ACT

MEASURE RESPECTING THE STABILIZATION OF NET PROCEEDS FROM THE PRODUCTION AND SALE OF WESTERN GRAIN

The House resumed consideration of the motion of Mr. Lang that Bill C-41, respecting the stabilization of net proceeds from the production and sale of western grain and to amend certain statutes in consequence thereof, be read the second time and referred to the Standing Committee on Agriculture.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, when the House rose at five o'clock I was outlining the five basic points or fundamentals that go to the establishment of a logical and coherent policy on agriculture. First and most important is marketing. Second is stability of price. Third is stability of income, and fourth is a modern farm credit system.

The fifth fundamental is the redevelopment of the industry to meet the new challenges and needs of an ever changing world.

In order to provide this package everything must be coordinated. Our policy must be based on one sound principle leading to the next one. This bill, C-41, should be a part of this package. It should enable the farmer to insure himself against the vagaries of income. As I mentioned earlier, the crop insurance legislation is doing a fairly good job in allowing the farmer to have some money to insure himself against the vagaries of weather, but on top of that we should build an insurance program so that he may be ensured a fair rate of income. For some reason or other the government has chosen not to keep this program within this package of a logical, coherent policy leading to the objective of a stable, healthy, agricultural industry designed to meet the demands of the world.

We have this particular bill introduced in effect under the Canadian Wheat Board Act. The Canadian Wheat Board Act has nothing to do with stability of income in respect of agriculture. The C.W.B. is purely a marketing device to set prices. So, on the first test this legislation is not part of a coherent and logical package to help agriculture. Also, it should be under the Minister of Agriculture.

The second point about this bill is that legislation dealing with agriculture should treat all farmers alike. We have farmers in eastern Canada, and with them we associate the farmers of British Columbia, who are quite different in respect of their techniques and the products they grow from the grain farmers on the prairies. One reason is geography. Essentially we have a desert area which man has learned to master and has made into a great food source for the world. The other parts of Canada have different types of agriculture based on different soils, moisture, different heat units, and so on.

Here we are bringing in legislation by which the parliament of Canada gives one sort of a deal to the farmers of one part of Canada, and yet in no place in the government's legislation is there an opportunity to offer the same deal to all the farmers. So, on the essential question of the unity of the Canadian people in this industry of agriculture we have again divided the east and the west. This seems to be part and parcel of the attitude of the Liberal party when it is in power.

● (2010)

Second, on this question of treating farmers alike, there is a tremendous clash today in western Canada, for example, between the pure grain farmers and the livestock farmers. What is good for one industry sometimes hurts another industry. We are going through one of those periods now. With the present technology, livestock such as poultry, hogs, and cattle now require tremendous volumes of grain. The sudden rise in the price of feed grain in the world markets two years ago has wreaked havoc not only in Canada but all over the world with the price of red meat and the cost of producing it. Here in this bill we have in effect added and exaggerated the difference between the wants and needs of the livestock industry and the grain industry.

The third point, which bears on the first point, is that farmers look above all to the Minister of Agriculture (Mr. Whelan) to be their spokesman in parliament on all matters concerning their welfare. They have seen the Department of Agriculture over the last ten years split and divided among four ministers.

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

Agriculture now comes under the Department of Industry, Trade and Commerce through the structure of the Grains Council. Agriculture also comes under the Minister of Justice (Mr. Lang). What abortion has to do with agriculture, we are never quite certain, but they are put together by this government. Agriculture also comes under the Minister of Agriculture once in a while; it comes under the Minister of Regional Economic Expansion (Mr. Jamieson) and, if you want to take all the other things with which it is associated, it also comes under the Department of Finance. But my main point is that we have seen the breaking down of the agricultural industry into little parts in so far as the administration of the affairs of agriculture in the last ten years are concerned.

I put this down to the fact that we have begun to worship here in Ottawa the idea that everything should be turned away from parliament, from the control of ministers, and put into the hands of technocrats who look at it from the point of view of diagrams on the wall. When a new department is set up, they put a certain number of squares on the minister's chart which, I suppose, give him prestige equal to that of other ministers. They look for some department from which to rob activities, and so the ARDA program came out of the Department of Agriculture and agricultural rehabilitation was put under another minister. No matter how well intentioned that other minister may be toward agriculture, the people in his department are not in contact with agriculture, their main interest being something else.

Likewise with the Prairie Farm Rehabilitation Act—it was taken out of the Department of Agriculture. Here we have a whole section that was once the pride and joy of the Minister of Agriculture because prairie farm rehabilitation had brought a huge area, almost 1,000 miles in width, back into productivity after the great drought. It was an example all over the world of what could be done when technology and science were applied to a difficult program in so far as geography, soil and climate conditions are concerned.

This once proud division of the Department of Agriculture lies dormant. The division, which used to number 120 engineers ten years ago, is now reduced to 80, and as the years go by and some will retire there will be less of them. Nothing is given them to do. I have seen what a group of men can accomplish in bringing an area back into productivity. I know how much has to be done, and my only comment about PFRA is not that the objectives have been changed but that that program has been taken out of the Department of Agriculture and put under another department which has nothing to do with agriculture.

The men sit there waiting for their pensions. Yet we have so much to do, not only in rehabilitating the soil on the prairies—which should be done not only on the prairies but all across the country—but also in bringing this program back under the Department of Agriculture and applying it in the Atlantic area, the northern parts of Quebec and Ontario, and even the settled parts of these provinces, as well as in the valleys in British Columbia.

The great experience and technical know how of these men in rehabilitating soil and making it productive should be put to use. Once again I point out that there should be one minister in charge of the bulk of the agricultural divisions.

The minister who has particularly concerned us in western Canada has been the Minister in charge of the Canadian Wheat Board. He is obviously able. He passed all his exams in school, became the dean of law at the university of Saskatchewan, and came down here to become Minister of Justice—a tribute to his ability and seriousness. But it was a calamity to us in the west to have this inflexible man put in charge of our most vital possession, the ability to produce high protein wheat in dry land farming. He is not content to look after the Department of Justice and the Canadian Wheat Board. We hear announcements in the west that he deals with transportation there, and with labour problems, in fact with anything that concerns the west. No other minister is allowed to interfere in these matters.

We hardly see the Minister of Agriculture in the West. All the announcements about justice, transportation, regional economic expansion and everything else seem to come from the Minister of Justice (Mr. Lang). Everything this minister has touched, as many hon. members have made very clear, has turned out to be bad for us. I cannot name all the things, let me say simply that the LIFT program is on the lips of every western farmer. They were sold down the river on the basis of false statistics, they were taken out of production, and when the demand came and the price went up from $2 to $5 a bushel, many farmers did not have too much grain to sell, not to mention the fact that hungry people could have done with the extra 300 million bushels that would have been produced.

Then there is the grain exchange. For two or three generations farmers fought to get grain under the Canadian Wheat Board, and this minister said he was considering it for the handling of feed grain, but only considering it. Throughout the election that was fought last summer he said that was not the policy of the government, just a series of things which, as a good minister, he was considering. But, the minute the election was over, feed grains were put under the grain exchange.

Then there is the question of inland terminals. It goes back to 1921 when this was first proposed. There is the choice between a system ensuring the lowest cost of handling grain in the inland system or establishing a grain system that would be in harmony with the social and economic needs of the west. The inland terminal is economically sound for those who own it, but disastrous for the people who live within its shadow.

Next we come to the Crowsnest pass rates. This country, out of its desire to have a national railway, gave large chunks of land, great tracts of forest, and great areas of mineral wealth to the CPR in return for a guarantee that the grain from the prairies would be moved into position at a fixed rate.

Everyone knows that with the technology of the last 80 years the cost of moving bulk products has decreased year by year. Yet we see a program beginning, which seems to happen every time there is a lapse of about 10 years, to persuade the people of Canada that the Crowsnest pass rate deal must be broken. Who was it brought this to public attention? Naturally the men who run the railways would love to get at this helpless captive prisoner, the wheat farmer. They would just love to get their rates and charge the farmer the same price American farmers are charged to haul their grain to markets. American farmers did not give away half a continent to a group of men to build their railway.

● (2020)

I simply ask who brought this Crowsnest pass rate back into public discussion again? Sitting in this House 10 years ago the minister in charge of transport said that the Crowsnest pass rate would never be raised again. He became the head of the Canadian Transportation Commission eventually. I am referring to Mr. Pickersgill.

Who brings this back in? Who roused all the western farmers this last eight or nine months? It was the Minister of Justice. Then, when all the fires are burning, and every farmer and every group is talking about it, he says that it was just a personal opinion. A legislative chamber in Saskatchewan voted a resolution opposing it. The Prime Minister of Canada (Mr. Trudeau) had to send a wire repudiating his minister, by saying that it was just personal views he was expressing.

Why does the minister keep stirring everything up? Everything he stirs up is to get westerners alarmed about the possibility that the government is going back to its traditional practice of goosing the west.

Railway line abandonment is coming up this year. We were promised in this House 10 years ago that no railway line would be abandoned until we obtained all the information about traffic on each line and until each line produced the operating costs. It was not until this year that a bill was introduced into this House forcing the railways to give us this information.

Who should be our defender in these matters? It should be the Minister of Agriculture, but he is left wandering around in Ontario. We have no one speaking for agriculture in the west.

We had a little trouble on the west coast last year. Negotiations were going on under the principle of collective bargaining. Two ministers of the Crown went out and interfered with that collective bargaining procedure. It was not that we lost so much money on the wages we paid the terminal workers, but during the period of the strike we lost $12 million in demurrage, and the government refuses to pay for its own mistakes. Those two babes in blunderland wandering around out there cost us heavily.

Last year we had a debate across the country on resource taxation. The Minister of Justice even moves into finance and lays down an ultimatum in western Canada that those provinces are not going to push the federal government around, at a time when the provinces were fighting to get and hold control of what was theirs.

I would say that this is more than just a bill to stabilize net income. It is a tragedy that it has to be fought on this wider issue. This afternoon we gave the minister and the government a chance to withdraw from their position and let the farmers decide, after they have heard discussions of the bill, what principles they want. There was no flexibili-

ty or willingness to give the farmers a chance. We are seeing the same technique as we saw on the LIFT program. What the government decides is the law of the Medes and Persians. This is infallibility speaking, this is the *ex cathedra* announcement, and the farmer is not allowed to express his viewpoint. He will express it all right, after we have committed ourselves to principles which may not be acceptable to him.

It is clear that all parties, as well as the government, want to do something about the stabilization of the income of grain farmers. Hopefully the government wants to do the same thing for all farmers, but there are certain things which have to be done before any form of sound approach can be taken.

What is missing in this basic foundation? If we are to stabilize income and if we are to stabilize price, we should first ensure that it is possible for farmers to produce the maximum amount. Second, we should ensure that it is possible to sell all that is grown or produced. The first step in giving the farmer real security of income in the production of grain is to give him markets at a fair price. There used to be long term agreements with eight or nine different countries. Where are they now? We still have the agreement with China, but that is all.

From 1945 to 1967 the grain farmers of the world had an international commodity agreement. They set a floor and a ceiling price for three year periods. Where is that agreement now? It is gone because this government connived with the American government to get rid of the international wheat agreement. This government had a new philosophy: sell at any price; that it called competition. The government sent farm income plunging down in the years 1969, 1970 and 1971, after it destroyed the international wheat agreement.

In February, 1972, led by the Saskatchewan wheat pool, the farmers of this country joined with the farmers of the United States, Australia and Argentina, went to see the United States Secretary of Agriculture in Washington and pleaded with him to let the price of grain go to its real price because there was a shortage of grain. On this minister's orders, we kept selling grain during the winter of 1972 at a price below the cost of production. Then we ran out of grain, and I, along with the hon. member for Swift Current-Maple Creek (Mr. Hamilton), made the statement that we were running out of grain.

Mr. Lang: When did we run out?

Mr. Hamilton (Qu'Appelle-Moose Mountain): We ran out in 1972.

Mr. Lang: Go on. Three hundred millions bushels is running out?

Mr. Hamilton (Qu'Appelle-Moose Mountain): The minister is sensitive.

Mr. Lang: I am sensitive about the truth.

Mr. Baker (Grenville-Carleton): Yes, and it hurts.

Mr. Hamilton (Qu'Appelle-Moose Mountain): If the minister would tell the truth he wouldn't be in the spot he is now. He keeps quoting figures the statistics people give him, and those figures have been wrong for 25 years.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): This minister believes in computers. He said during the election campaign that "there is lots of grain, I have it from the statistics". The Wheat Board repudiated him and said, "We can't find it, where is it?"

Mr. Lang: That is false, too.

Mr. Hamilton (Qu'Appelle-Moose Mountain): The minister has always acted on behalf of the system, and if the system has statistics which say there is a surplus, he says there is a surplus. These figures were wrong 20 years ago, they were wrong 10 years ago, and they are wrong today. And that is not the end of it. If we examine the same source of information with regard to beef in North America and Canada we find that in the last five years, according to the statistics this government takes as gospel truth because they come from a computer using a formula, we in Canada consumed 7 per cent more beef than we produced and imported.

The same applies in the United States. They are supposed to have been consuming over the last five years 9 per cent more beef than they produced and imported. So we have this silly situation of farmers being told by governments that the people concerned have produced more beef than they did this last ten years because the figures said so. How asinine! Those figures are just as wrong for beef as they are for wheat. The minister has not learned anything. He is like the Bourbons—he forgets nothing and learns nothing.

● (2030)

We need an international wheat agreement. Instead of talking about getting rid of the Crowsnest Pass rates the government should take the lead, as the government did in 1932, and also after the Second World War in 1946 and 1949, and get an international wheat agreement. Roughly 80 per cent of bread grain going into export markets today comes from the United States and Canada. Our two countries together could make an agreement. We could tie up with Argentina and Australia which would always follow good leadership. But we have a Prime Minister lying in the sun down in the Caribbean saying, "I am not going to join a cartel that sets prices for producers. I do not care about any sort of producer in Canada." This minister is just regurgitating what the Prime Minister is thinking.

Without a basic world price level and floor, Mr. Speaker, there will be no income stability, regardless of how many laws we pass and how much money we put into a fund.

If an incomes policy is to be put on top of a good international floor price there should be a good domestic foundation on which to build. Such a foundation is in place, and the Conservative Party is willing to tell the government how to administer the program if the minister does not know. There is already a workable crop insurance plan in place for which all the figures have been worked out. The federal-provincial machinery is working smooth-

ly, and the farmers like and trust the program. All that has to be done is build this income stabilization plan on top of the crop insurance program on an individual basis.

This afternoon the hon. member for Regina-Lake Centre (Mr. Benjamin) read into the record portions of a brief prepared for submission to the Senate Committee on Agriculture by the Manitoba Crop Insurance Corporation and the Manitoba Department of Agriculture. I should like to quote from the same brief, beginning with the last paragraph on page 8, as follows:

> We regret to say, Mr. Chairman, that if that were the objective of the proposed Prairie Grain Stabilization Act, it could not be achieved by the measures envisaged in Bill C-41.

They are referring to protection of income here. It continues:

> What is more serious in our view, however, is the fact that Bill C-41 does not have as its specific purpose the protection of farmers against losses due to economic events beyond their control. One of the most exasperating aspects of the bill is that it is next to impossible to detect the rationale behind it, and this lack of rationale together with the extreme complexity of the bill make any attempt at explaining this important legislation to farmers an exercise in frustration.

This is the view of the Crop Insurance Corporation of Manitoba. It will be the same in Saskatchewan and Alberta. Yesterday and this afternoon we asked the minister to put these matters before the farmers before we committed ourselves to these principles.

The brief continues:

> Yet, since the scheme proposed in Bill C-41 is a contributory plan, farmers should know what insurance they are buying; in other words, the plan must relate to the needs of individuals, and it should be possible for individuals to determine what benefits would accrue to them if the events against which they are insuring themselves should occur. That is a cardinal principle of all insurance plans—

That means individual responsibility for payments in and payments out. Does this bill provide for such a thing? The farmers want a scheme that is best for a whole area, not the fallacy which appears in the PFAA legislation which caused us so much trouble.

I should like to quote another paragraph from the brief as follows:

> A second cardinal principle of all such schemes is that indemnities are paid to those who experience the ill effects of the event against which the plan provides insurance, and not to others. The proposed Prairie Grain Stabilization Act sins against both these principles; in fact it completely ignores them.

I think you can see why we proposed that before this bill repeated the mistakes of the LIFT program and the mistakes of Mr. Bennett in 1932, farmers should have a chance to decide what they want. After all they are putting up the money. The government should have been flexible and allowed the amendment to pass this afternoon.

I had a series of other points which I do not have time to go into, Mr. Speaker. There is the need for a foundation under this incomes plan. We could have built it on top of crop insurance or on top of the Agricultural Stabilization Act. Either would have worked, but the crop insurance program would have been the most suitable. Income protection could have been put on top of it on an actuarial basis and an individual basis, and there would have been no need for a great bureaucracy.

Some support has been voiced for a regional system. Believe me, Mr. Speaker, I know why the minister turned that down. It would not work, just as putting the whole area into one block will not work.

The government moved away from gross income to net income, but as cost it brought in a list of seven or eight items. One of the greatest costs in farming today is interest costs, followed by labour and management. It will be interesting to hear the government's reaction when farmers realize what is missing from the bill.

I have expressed my views about bureaucracy. We do not want any more in western Canada. We had it under the PFAA and the old PFRA, and got rid of it. The minister is trying to build a political machine, and so he wants to add this new bureaucracy under his control. We believe that the principles of this bill can be made simple and easy to administer. This type of legislation is necessary, but we have no confidence in the minister and would like to get him off the backs of the farmers. Let the farmers be consulted. Let them decide what the principles should be. Let them support, with confidence, the type of legislation which is so necessary today.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have been waiting for several days for an opportunity to speak on this bill, which is very important to western Canada. Two years ago this party suggested a plan or tried to encourage the government to develop a plan for the protection of the western prairie grain producer. The proposals we put before the Minister of Agriculture (Mr. Whelan) at that time would have supported agriculture in other parts of Canada as well.

It is a great obstacle to agricultural producers to have to deal with two ministers, neither of whom will act on good honest proposals submitted on their behalf. It is a great misfortune that the government has adopted this policy.

● (2040)

Two years ago we asked the Minister of Agriculture to adopt certain crop insurance policies which would set the pattern for the industry. Our proposals, if followed, would have obviated the necessity for further stabilization of the grains industry of western Canada, but the minister did not accept our suggestion and left the way open for the Minister of Justice (Mr. Lang), minister in charge of the Wheat Board, to put his finger in the pie. That is why we are facing so many problems today. Actually, many of our problems flow from the inequities associated with those two ministers. I cannot differentiate between the two. They are responsible for several programs, including the ones coming under Bill C-19, Bill C-50 and Bill C-41. We also have our crop insurance program.

If these two ministers knew what they were doing they would bring in one or two programs which would stabilize the entire agricultural industry. Such programs would benefit all agricultural producers. The ministers have not done that. Apparently they cannot agree, and that is why we face difficulty in the agricultural sector of our economy.

Inequities associated with the administration of our grains business have necessitated the program which the minister has now brought forward under this bill. When

the present session of parliament began one of the first difficulties with which we had to deal was that of the grain handlers' strike on the west coast. Three Canadians contributed materially to that problem, namely, the Prime Minister (Mr. Trudeau), the Minister of Labour (Mr. Munro) and the minister in charge of the Wheat Board. The latter minister threw his weight, or authority, behind the Minister of Labour and behind the Prime Minister when the government tried to force grain companies on the west coast to accept a 61 per cent settlement. We, on my side of the House, said that such a settlement would set an inflationary pattern which would be unequalled in Canada's history, but the government would not listen. In no way would it pay attention to what we were saying.

I am glad to see the minister sitting in his seat. I hope he will listen to what we say. Allow me to quote from a speech I made in the debate just alluded to, and I am quoting from page 226 of *Hansard* for October 8, 1974. After quoting the minister's words at a Vancouver news conference on May 24, to the following effect:

The government will introduce legislation to approve contract recommendations by conciliator Dr. Perry as a binding collective agreement on the two parties.

I said:

On what advice or consideration was such a cowardly step based? I hope the hon. members opposite recognize the importance of the situation with which we are dealing. On July 18 the Minister of Labour reaffirmed the government's decision to force settlement terms upon the grain companies. The minister responsible for the Wheat Board urged producers to exert pressure on their own organizations in order that the inflationary conciliation recommendation would be accepted. What right did he have to do that? A telegram sent by the two ministers to the grain companies on August 23 reads in part:

'We have made it quite clear, as has the Prime Minister, that the government will legislate the recommendations of Dr. Perry, if necessary.'

Of course, that position met resistance. Why? Because the grain companies are owned by the producers and they backed the companies up to the hilt. Ninety per cent of them supported the companies. What else could they do? What else could the companies do, if they were to discharge their responsibility to those they served? Clearly, the three members of the government previously referred to have put the government into an intolerable position. Let me put on record letters which the companies have received from farmers.

I then read into the record the following letter from a farmer at Cupar, Saskatchewan:

Do I, as a grain farmer, also get a 61 per cent increase in the price of my products? In two years time can I negotiate as a body for another 60 per cent increase? . . . I agree that when the cost of living increases 10 per cent, so should everything else—not 60 per cent. I, as a farmer, am finally able to get my head a little above water. If price and wages increase at the same rate, that water is going to get . . . deep again. Keep up the good work.

What I have just quoted shows why our agricultural economy is in difficulty. Government promises enabled the government, including the minister in charge of the Wheat Board and the Minister of Labour, to be elected in the July 8 election last year.

On April 8, as recorded at page 4599 of *Hansard*, I asked the Minister of Agriculture the following question:

Mr. Speaker, my question is for the Minister of Agriculture and arises because of his presence at the Rome food conference. As it takes about one month to load grain for Bangladesh on the cargo carrier *Amoco Cairo*, one of the largest vessels ever to enter the port of Vancouver, because it is necessary to tow the ship into ocean water several times during the loading and turn it around in order to keep the cargo balanced, and as this ship must drop anchor 65 miles from the port of destination because of shallow waters, it is obvious somebody boobed. Can the minister advise the House who is responsible?

[Mr. Towers.]

Neither the Minister of Agriculture nor the minister in charge of the Wheat Board rose off his posterior to answer. Then we were told the ship would carry 4.8 million bushels of grain and would take about one month to load, if there were no delays. I point out that there was a ship in Seattle harbour which would take on 4.2 million bushels of grain in five days, using seven men to load. Further, the ship carrying Canadian grain had to anchor 65 miles off-shore from Bangladesh; it could not unload nearer the coast because it could not go into shallow waters. I said, when I asked my original question, that somebody boobed. I suggest that repeated boobs on the part of the two ministers concerned are creating problems for agriculture.

This afternoon we voted on an amendment which was defeated. We asked the minister to allow us to take this bill out to the producers and give them some input as to the type of program they want. The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) mentioned that the Manitoba crop insurance people were in town today appearing before the Senate Agricultural Committee. I know crop insurance commissions from other provinces are also appearing before that committee. I think it rather unfortunate that a request I made of the Standing Committee on Agriculture was refused when one of these commissions was in town. The request was refused primarily because the government will not listen to advice from my side of the House. Ministers go along in their own bull-headed way and will not listen to good counselling.

The hon. member for Bruce-Grey (Mr. Douglas) suggested that the committee is going to travel. Has the hon. member discussed the idea with the Minister of Agriculture and the minister in charge of the Wheat Board? Certainly I see no support evident on the part of the hon. member for Battleford-Kindersley (Mr. McIsaac), or on the part of the hon. member for Assiniboia (Mr. Goodale). They are so busy patting the minister on the back for what he has done that they are failing those who elected them by not criticizing the government for what it is doing. In no way will the people of those constituencies receive adequate representation until those two members adopt a different stance.

Let me quote part of the brief that the Manitoba Crop Insurance Commission presented earlier today to the agricultural committee of the other place. It says in part:

We suggest that the present all-risk crop insurance programs operative in the western provinces could be broadened to include price guarantees. Prices for the various crops could be adjusted from year to year to reflect changes in the cost of production and to protect profit margins so that net farm incomes would be kept commensurate with the general standard of living in Canada. By adding price guarantees to the present yield and quality guarantees of the crop insurance program, farmers could be offered a complete package of basic income protection.

● (2050)

The program could be operated by the crop insurance administration presently existing in the western provinces. With a slight addition to staff Manitoba Crop Insurance Corporation could administer a much more equitable crop and income insurance program than is envisaged in Bill C-41. It would also make it unnecessary to establish a complete new administrative organization to administer a separate western grain stabilization program.

Above all, the approach suggested by Manitoba Crop Insurance Corporation is consistent with the cardinal principles of mixed private and social insurance, that the insured knows what he is insured against and what his benefits will be, and that payments are not made at random but to those who need them.

This is the type of program we want to see put in place. It would have been so easy, but apparently the minister does not understand. He does not seem to understand that the Crop Insurance Commission presently establishes that there will be so many bushels of grain sold at so much a bushel. If you multiply those factors you arrive at an answer in dollars and cents.

It is ridiculous for the minister to tell the House there is a great difference between the two systems. The scheme proposed here is unnecessary, and it will cause many problems for grain producers. The minister's record has been poor. He has probably been one of the poorest ministers any government has had.

One of the first problems with which I had to deal as a member of parliament arose because of regulations and laws connected with the operations of the Wheat Board which were not working to the benefit of producers. The producers were caught. Everyone knows that when a permit book is taken out a producer may allocate so many acres for, malting barley. Perhaps the House will allow me to use barley as an example. As we all know, frost, rain, and weather conditions generally determine whether the barley will actually malt or not. In this instance frost hit the crop and producers could not deliver their grain as malting barley simply because it would not malt. Therefore the agent required a permit from the Wheat Board to transfer those designated acres back to allocated acres.

I made representations to the minister responsible for the Wheat Board, but he said he could do nothing. It would seem to me that, when producers are caught in this web of legislation passed by parliament, every effort should be made to help them, particularly by a minister in charge of the Wheat Board who is also Minister of Justice. Did this happen? No. They were hauled into court and had to pay fines of $50, as well as legal fees. The agent was fined between $200 and $300. This is not justice. We are not getting justice from the minister in charge of the Wheat Board.

Here we are asked to bring in another piece of legislation, and even the minister is not completely aware what the bill contains. Last night, when the hon. member for Moose Jaw (Mr. Neil) stated that an inventory would need to be taken at the end of the year, the minister said this was not the case. I will put this exchange on record. I realize that the hon. member for Crowfoot (Mr. Horner) did so this afternoon, but we have to keep hitting the minister with it in the hope that eventually the message will get out to those who elected him to the House of Commons, and that those electors will realize what they are doing to the prairie grain producer. This is what was said in the debate last night:

MR. LANG: I wonder whether the hon. member can tell me how he develops the fear that any bin measuring is required at all. As I read the bill, everything depends upon the sales of grain. Some of his colleagues may have talked about on-farm transfers which were in fact not put into the bill because of the administration which would be involved. There is no necessity for the bins at all. I would like the hon. member to point out where there is any such necessity.

MR. NEIL: In response to the Minister I would point out that the bill calls for a year-end inventory, and it would seem to me that an inventory would require the measurement of the grain on the farm.

MR. LANG: Where is the inventory?

MR. NEIL: I would assume the inventory is in the farmers' bins.

MR. LANG: Nonsense.

MR. NEIL: Where is it?

MR. LANG: It is not in the bill.

Mr. Woolliams: You wouldn't make that mistake, would you?

Mr. Lang: It was not a mistake.

Mr. Towers: I appreciate, Mr. Speaker, that we are not supposed to deal with the bill in detail at this stage, but I should like to read just one excerpt because it does affect what we are discussing. This is from clause 9:

(4) For the purpose of determining the adjusted marketing to production ratio referred to in paragraph (1)(b) for a year under review, the Minister shall

(a) make the following calculation in respect of each of wheat, oats, barley, rye, flax seed and rapeseed:

(i) divide the actual aggregate number of bushels of such grain produced in the designated area and sold by all producers in the year under review by the number of bushels per acre of such grain that is the average yield for such grain for the five years immediately preceding the year under review;

(ii) divide the difference obtained by subtracting

(A) the opening inventory, in bushels, of farm stocks of such grain for the year under review, determined as being the closing inventory, in bushels, of farm stocks of such grain for the year immediately preceding the year under review, determined in December of that immediately preceding year.

The minister said it is not in the bill. He does not know what is in the bill. This is why the wheat producer is in such a horrible mess. If there were a business-like approach to the grain-handling system we could solve many of our problems, and there would be no need for programs like this intended to protect growers in years of hardship. What we are up against in Western Canada is the fact that labour leaders have been using the movement of grain as a whipping boy. The time is coming when we can no longer accept such a situation.

Every Canadian should be aware, too, that we depend to a great extent on grain exports to balance our foreign exchange account. The Minister of Finance (Mr. Turner) has told us that our balance of payments deficit will be in the neighbourhood of $4 billion to $5 billion this year, and I can tell the House why this is so. Primarily it is because we had a poor grain crop in western Canada last year. I should like to put on record figures showing movement of grain in western Canada over a six month period in the last five crop years. In 1971 there were 330.2 million bushels; in 1972, 386.6 million bushels; in 1973, 410.8 million bushels; in 1974, 293.6 million bushels; in 1975, 275.1 million bushels. These figures are for clearance of grain for six month periods during those years, and the figures show a decline in the years 1974 and 1975.

● (2100)

I suggest, Mr. Speaker, that the lower price of grain at the present time is adding to the problems of the Canadian economy and our balance of payments deficit. According to a report that I received some time ago, no grain cars had

been unloaded at the Pacific coast or Thunder Bay terminals since Monday, February 17. As I said a while ago, we are unable to get our grain moving. If the minister in charge of the Wheat Board, together with the Minister of Labour, the President of the Treasury Board (Mr. Chrétien), and the Prime Minister would sit down with representatives of labour and get an assurance that our grain will be moved, our economy would be in a much better position.

I should like to put on record a comment in a newsletter put out by the Palliser Wheat Growers' Association as follows:

> The government of Canada seems incapable, for whatever reason, to control inflation. In the absence of government guidelines and programs to curb inflation, it is difficult to expect labour and management to exercise restraint in wage demands and company profits.
>
> Out of this situation arises the immediate problem: the complete shutdown in the movement of grain. This is resulting in a shortage of feed and food supplies for our customers and, most damaging of all, the loss of confidence in Canada's future reliability as a supplier.
>
> To the Canadian grains industry this could be a near-mortal blow; Japan is our Number One customer for rapeseed and our Number Two customer for wheat and barley.

It seems to me that the way that the prairie grain producer would manage the situation would be to see to it that the grain is moved. If he made a contract for delivery, he would ensure that the person making the purchase would receive the product on time.

In the minister's speech he gave figures showing payments that had been made between the years 1968 and 1971 to the producers, but one thing he did not say was that one-third of the money paid out was subscribed by the producers. He said the money was paid out of a subsidy fund, and true enough it was, but one third was put up by the producers, the other two thirds being put up by the taxpayers of Canada.

We are concerned to see that this money is spent to the best possible advantage, and at the present time there is no way we can be assured that money paid into the fund will be used to the benefit of the prairie grain producer. It is a well known fact that any money returned to the producer will go to those in a strong financial position as well as to those who are not, something we ran into under the old PFAA. While that program was in effect one of its shortcomings was that money was paid out to those who did not need it as well as to those who did, and quite often some of the farmers who required money were overlooked.

I think it is unfortunate that the minister has more or less copied the old PFAA program, as well as incorporating into the new program the shortcomings of PFAA. I can think of farmers in any one of the three prairie provinces, as well as in the Peace River block in British Columbia, who could be completely wiped out because prices as well as production are up in other parts of the country; hence there would be no pay out. Producers may have to rely on this program to carry them over difficult periods, whereas we could have had an adequate crop insurance scheme for those who really require it.

If the minister had tied this program to a crop insurance plan, the extra money could have put in place a program that would not only have been acceptable to the producers but would have worked to their advantage. As it is we have no guarantee that the minister's present program will work. Most of the crop insurance commissions in the four western provinces—I include British Columbia since it has a crop insurance commission too—fear that this program will have an adverse effect on their programs. I know the minister says these are two separate programs, and that one is complementary to the other, but things do not turn out that way, Mr. Speaker. People get fed up with this type of program. They may take one or the other, but I question whether they will take both in many cases.

When representatives of the Palliser Wheat Growers' Association appeared before the agriculture committee they told the committee that they were relying, and had relied, on crop insurance to get them over a bad spot. Now, in order to build up his ego, the minister is bringing in a program that could almost destroy the crop insurance scheme if the producers elect to participate in this new program and not crop insurance. If the producers do not accept both schemes, then actually one will work against the other. This is why the two schemes should be tied together. It is also why the crop insurance commissions are very pleased to have the opportunity of appearing before the Senate committee on agriculture.

I have felt that perhaps not too much good has come out of the Senate, but I hope that the Senate committee on agriculture will take a good look at this program before approving it. If, in their wisdom, they see it is not going to serve the purpose intended, then I hope they will turn it down. The vote we had this afternoon is an indication that the members on this side of the House do not have the manpower to turn it down.

I hope that our Standing Committee on Agriculture will have an opportunity of visiting the west and discussing this bill with the producers, individual farmers, and farm organizations, and that we will be able to put into effect a program that will benefit them. Certainly this is a grave responsibility, because the minute this program is implemented without any changes I would question whether it will serve the purposes the minister would like it to serve. I think he would like to put a program in place to do the job, but for the life of me I cannot see why he will not accept some advice in the development of a program that will work.

● (2110)

I see no reason in the world why the committee should not go out and discuss this matter with the farmers, and then decide what type of program is required. Let me impress upon the House, Mr. Speaker, that whatever program is set up it will be the only one, because there is not room for another. There is certainly no room for any more programs, and I would hope that this one will be designed so that it will serve the best interests of the producers.

I have a copy of a letter written by the Flax Growers of western Canada to the minister in which it is stated:

> We would respectfully request that you use your best influence to assure that the Standing Committee on Agriculture hold public hearings in Western Canada on Bill C-41.
>
> We believe that our members would gain a much better understanding of this bill and the mechanics of operation of the proposed stabilization plan, through discussion at a public meeting, than is possible from its perusal.

The subject is too important to be left to representatives of organizations alone. It would also be impossible for our members to make representation in Ottawa in any numbers.

Our association will present a brief on this bill to the standing committee and would appreciate the opportunity for discussion of its contents.

Surely the minister will grant this request because the agricultural community is going through a very serious period in its history. Grain has been dropping in price in the last six months. It would appear that western Canada at the present time is about a month late with seeding, and we are not sure just what kind of crop we are going to get this year. If we have an early frost, as we did last year, the crop could be as short as it was then.

In addition, there are increased costs of production. Fertilizers are up 50 per cent, including ammonia and 11:48. We were told the other day that as of July 1 freight rates are going up 25 per cent to the chemical industry. The minister was out west and flew a kite when suggesting that perhaps we could take another look at Crowsnest Pass freight rates. I believe he was in Edmonton when he said that. I think he was flying a kite, and he found out that western grain producers soon shot it down. He has been trying to retract the statement ever since. Just the other day I noticed a statement from the minister's Regina office which said that he was not going to touch those rates. If he was not planning to touch them, why did he mention this? He certainly frightened the very dickens out of the western grain producers when he mentioned that. They guard these rates very jealously because they know that if they are changed the cost of grain movement will quadruple over a 12-month period.

I have been asked many questions about this bill, and I should like to refer to one query by an officer of a grain company who is also a producer. He stated in his letter:

The plan is described as voluntary, which is some stretch of the imagination.

Farmers near retirement will not join the plan because they could not withdraw their contributions a few years later when leaving the farm.

Should feed mills receive financial consideration for the extra book work involved?

This is a very important point. I said earlier that this minister caused me problems when I first came to this House. I saw innocent producers and grain handlers fined in our courts, and there was nothing I could do. The minister in charge of the Wheat Board in his dual capacity as Minister of Justice told me there was nothing he could do either.

We are now getting involved in the same sort of thing, but it is even worse. There is a penalty section in this bill which provides for a fine of up to $5,000 for an infraction. These grain dealers are supposed to deduct the 2 per cent representing the producer payments and forward them to the stabilization account within 30 days. What happens in the fall of the year when these grain handlers or elevator operators are handling a great deal of grain, are very busy and go over the 30 days? According to the law that will be legislated by this bill if it is not changed, they will be liable to a charge and a fine in our courts of up to $5,000.

What happens to feed mill operators if they should happen to do the same thing? The minister has suggested that there can be the movement of grain through licensed grain dealers. What about the grain that is transferred from one farm to another? Is that to be included under this bill? What happens in respect of the grain sold by one farmer to another? I do not think there is any provision in the bill for that.

What this is going to mean is simply that if producers take part in the program the farmers will haul their grain and sell it to the feed mill operator, who will in turn sell it to the feeder. There will be extra charges and extra costs involved, which means less profit for the producer and for the feedlot operator.

There are so many faults and holes in this bill it is as the hon. member for Crowfoot (Mr. Horner) has suggested, just like a sieve.

The Acting Speaker (Mr. Penner): I recognize the hon. member for Oshawa-Whitby.

Mr. Woolliams: The automobile man.

Mr. Horner: Is this a leadership race? The hon. member is going to make a speech on wheat in support of the farmers.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is always a pleasure for me to receive a round of applause from my Conservative colleagues on my right.

Mr. Horner: He hasn't any of his own colleagues in the House.

Mr. Broadbent: Those hon. members are wrong in their facts as usual.

Mr. Horner: I see the hon. member for Regina-Lake Centre (Mr. Benjamin) has just come in.

Mr. Broadbent: That Alberta Tory is wrong in his facts again. My colleagues are here cheering from the seats behind me.

Mr. Horner: Mr. Speaker, I rise on a question of privilege. The hon. member just stated that, as usual, the hon. member for Alberta is wrong in his facts. What I said was that he did not have any of his colleagues in the House, and just as I said that the hon. member for Regina-Lake Centre (Mr. Benjamin) came in. I see that the hon. member for Yorkton-Melville (Mr. Nystrom) has arrived since I rose. The point I am attempting to make is that he suggested his colleagues were here, contrary to what the hon. member for Crowfoot just said. He can speak in defence of his colleagues as he has the floor, but he cannot dispute what I stated. Now here comes the hon. member for Timiskaming (Mr. Peters).

An hon. Member: They are coming out of the woodwork.

Mr. Horner: If I keep on speaking I am sure all his colleagues will arrive. The point I make is that when the hon. member rose and I said none of his colleagues were here, the hon. member for Regina-Lake Centre at that moment walked in from behind the curtains. Up to that point the hon. member was alone in that part of the House. He is making a speech because he is running for the

leadership of the NDP, and he wants to be on record as being in support of the wheat farmers of Saskatchewan.

● (2120)

I hope in some way that he does better than the member for Yorkton-Melville.

The Acting Speaker (Mr. Penner): The hon. member for Oshawa-Whitby.

Mr. Broadbent: Mr. Speaker, I am glad to continue. I should not be taken to task for the shortsighted opinions of the hon. member for Crowfoot (Mr. Horner). I can tell the hon. member for Crowfoot that one quarter of the members of my caucus are here tonight, and in relative terms that is substantially more that is present from his party.

Mr. Horner: No, it is not. I rise on a point of privilege—

Mr. Broadbent: Mr. Speaker, if we could put our private dialogue behind us perhaps I could get on with the comments I should like to make. In providing the last contribution to the second reading debate I should like on behalf of my party—the hon. member for Crowfoot has made his contribution and now he is leaving.

Mr. Horner: On a point of order, Mr. Speaker, what I in fact said was that I can now step behind the curtain because I have made the member honest this evening. I would not want that statement to be considered in longevity or anything like that.

Mr. Broadbent: Mr. Speaker, at the outset of my comments I want to re-affirm the commitment of the New Democratic Party to the principle of income stabilization for farmers. Indeed our party has been the pioneer of orderly marketing systems and price supports that would guarantee Canadian farmers a decent livelihood and would ensure the viability or rural communities. To those goals we remain firmly committed. We will continue to expose and oppose, with all the force and determination that we can muster, any attempt by the government to destroy the system of orderly marketing of western grains through the Wheat Board, and any attempt to force western producers back on to the mercy of the open or so-called free market.

It is perfectly understandable that members of the New Democratic Party are suspicious of the moves that are made by the Liberals in respect of western grains. Over the last few months we have been witnessing their attempts to weaken the authority of the Canadian Wheat Board by turning domestic feed grains back to the Winnipeg Commodity Exchange.

We have been hearing proposals for the repeal of the Crowsnest rates, to which the preceding speaker for the Conservative Party quite correctly alluded. We have been hearing calls for the abandonment of thousands of miles of branch lines on the prairies. We have also seen amendments introduced to the Agricultural Stabilization Act which is now in committee, which make specific provision for the support of wheat, oats and barley grown on the prairies and marketed, not through the Wheat Board as they should be, but on the open or so-called free market.

[Mr. Horner.]

Now, following an abortive attempt to foist an unacceptable stabilization bill on western farmers in 1971, an attempt that was stopped by the combined opposition of every farm organization and every provincial government involved, as well as by the determined efforts of the NDP members in this House, we have another stabilization bill that is simply too complex, too complicated, and too inexplicable. Several of my colleagues at earlier stages in this debate outlined our objections in detail to the bill so I shall be brief, much to the relief of some of my urban colleagues to my right.

Mr. Alexander: No. I want to hear you.

Mr. Broadbent: I was very sorry that the amendment proposed by the Conservative Party this afternoon was voted down. I think it would have been most appropriate to refer the subject matter of this bill to a committee of the House before proceeding further. I agree with them on that point. Not only would this have permitted some clarification of the principles behind this particular scheme, it would also have afforded an opportunity to canvass, in co-operation with farm groups, other possible kinds of stabilization plans. I think that should be done.

I should like to summarize briefly some of the problems in respect of this particular piece of legislation. We will do our best to deal with these in the form of amendments at the committee stage. The purpose of this legislation, briefly stated, is the continued operation of a free market in western grains and the need to protect producers from its inevitable failings. Production surpluses and deficits will continue to exist after the passage of this measure. Under this bill the government is to play no active role in determining the allocation of productive resources. In our view this is a fundamental fault.

The stabilization effect of the plan is reduced by a number of factors, and I shall single out a few. We are in a period of decline. The five-year average of net cash flow would become progressively lower. Net income would show a progressive decline. Producers would continue to contribute the levy. Pay-outs would occur during periods of relatively high but falling commodity prices, whereas no pay-out would occur during periods of relatively low but rising price levels. The cost of the plan to the federal government is overstated, and the stabilization effect reduced due to the fact that a portion of federal contributions, around 15 per cent, would be recovered through taxation when a payment is made.

Because the stabilized margin or net cash flow is not indexed to inflation, net income would decline in terms of real dollars at a rate approximately equal to the rate of inflation, with no support payments being made. Stabilization payments themselves are not included as proceeds in calculating the five-year average. Further, the levy is based on the financial position of the stabilization fund, not on ability to pay. The levy could actually increase in a bad year. Surely this is an undesirable situation.

Finally, the support level drops to 90 per cent of the five-year average after the fund has been in a deficit position for three years. What are the implications of aggregate calculations and pay-outs? Because the plan operates on an aggregate basis, all regions and all grains are lumped together in the calculation of aggregate pay-

outs. This offers little or no protection on a regional or commodity basis. For example, rapeseed producers may experience depressed markets but not receive any pay-outs from the plan if the aggregate proceeds from all grains—and wheat of course is dominant—remain at or above the five-year average level.

Eligible expenses incurred in the production and sale of grain include only cash expenses as listed in the bill. They exclude depreciation on buildings and machinery, interest on indebtedness, interest on equity, and the labour and management of the producer himself. Surely this is another undesirable feature of this measure.

An individual producer's share of the aggregate pay-out, in a year when a stabilization payment is made, is determined in proportion to his share of contributions through levies for that year and the immediately preceding two years. In other words a producer who has had good sales, and therefore has made a relatively substantial contribution to the fund, will receive a proportionately high pay-out. A producer who has done less well will receive proportionately less. The plan therefore rewards good fortune, and penalizes misfortune. He who needs most gets least.

● (2130)

At this point I would like to refer to an important point that was made before the Senate committee on agriculture this afternoon by the deputy minister of agriculture for the province of Manitoba in a discussion of this bill. He compared some of the provisions of this bill with what exists in our unemployment insurance legislation. It reads:

> If the Unemployment Insurance Commission operated on the same principle as the grain stabilization plan, it would calculate for all of Canada the average annual bill for wages and salaries on which unemployment insurance contributions are made, adjust it for changes in the number of unemployment insurance contributors and for certain changes in the consumer price index, and if the adjusted total wage bill fell below the average of the previous five years, the Unemployment Insurance Commission would make a payment to all wage and salary earners. Each would be paid proportionate to his contributions; those who had paid the maximum would receive most; those who had paid less would receive less, and the unemployed who had made little or no contributions would receive little or nothing.

I know that such a scheme to stabilize the net proceeds from wages and salaries in Canada would be rejected not only by the ordinary working people in Oshawa but by the working people in every village, town and city across Canada. Yet such is the principle at the heart of the bill.

I believe that all Canadians, consumers as well as producers, whether they live in cities or rural areas, have come to see the urgency of providing adequate and stable incomes for our farmers. I think also that most people can understand the need to support the farming industry as a whole, just as our society now supports, through a variety of means, almost every industry in one way or the other by way of sharing in a variety of governmental schemes. What we must insist upon, however, whether in respect of industrial subsidies or support for agricultural producers, is some assurance that the funds so used will be used to achieve their desired effect. It is in this respect that my colleagues and I object most seriously to a number of details in this bill, although there is over-all agreement on the basic principle.

It is concern with these detailed objections that will lead members of my party to present to the House and to the government amendments at committee stage, and we hope at that point that the Minister of Agriculture (Mr. Whelan) will show more wisdom and flexibility than he has up to this point in the debate on this very important subject.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Agriculture.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Penner): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-13, an act to amend the Northern Canada Power Commission Act, with an amendment, to which the concurrence of this House is desired.

* * *

TWO-PRICE WHEAT ACT

MEASURE TO PROVIDE FOR PAYMENTS FOR WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

The House proceeded to the consideration of Bill C-19, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. J. H. Horner (Crowfoot) moved:

> That Bill C-19, an act to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, be amended by deleting "1980" in lines 27 and 32 at page 2 and substituting therefor "1977".

He said: Mr. Speaker, in rising to take part in the debate on Bill C-19, and on the motion which I put forward, I should like to point out that this debate is taking place at a very unsettled time with regard to the world food situation.

I am one of those who, over the years, have been deeply concerned about people throughout the world starving, and I was particularly pleased and proud that the Minister of Agriculture (Mr. Whelan), who was at the Rome food conference in late 1974, vouched for the Canadian contribution to alleviate the plight of starving people throughout the world. I was disappointed at that time that the United States, a much wealthier country than ours, a country much more capable of producing food for human

consumption than is Canada, was so reticent in offering its resources to satisfy the hungry world.

Having said all that, I now come to Bill C-19, an act to provide for payments in respect of wheat produced and sold in Canada. The concept of Bill C-19 is basically that world wheat demand and world wheat prices will rise, but wheat sold to Canadian millers will sell at $3.25 a bushel. Any amount of money above $5 a bushel, at which world wheat sells, will be compensated by the producers, and any amount of money between $3.25 and $5 will be compensated by the government.

This is a very interesting piece of legislation at a time when world food supplies are, I repeat, in what might be called an unsettled condition, a thunderstorm, a reoccuring storm, or what might be called at best stormy conditions. We saw world wheat prices rise well above $6 a bushel in December 1974. In early 1975 we witnessed the withdrawal by the USSR of its offer to purchase wheat from the United States. This caused world wheat prices to drop from January 1 until the middle of April by about $2 a bushel. The interesting thing is that throughout that drop no comparable drop took place within Canada. Wheat prices within Canada dropped from about $5.90 per bushel on the international market to $5.16 at Thunder Bay on April 1, the asking price of the Canadian Wheat Board. The reason I point this out is that it must obviously be clear to everyone that the Canadian wheat farmer is still subsidizing wheat later by the Canadian consumer.

● (2140)

This bill locks the wheat producer into a seven year agreement. I cannot overemphasize that. Everyone in this House has witnessed several labour negotiations. I can recite the railway negotiations, the longshoremen on the west coast, grain handlers and longshoremen on the St. Lawrence, and so on. None of them relate to a seven year contract. Bill C-19 locks wheat producers into a seven year contract. What has this parliament got against wheat producers? Why lock them into a fixed price for their commodity?

We all know that the Minister of Finance (Mr. Turner) is unable to control inflation, much as we might wish he could. We might admire his command of the finance portfolio, but we know that he cannot contain inflation within Canada because he does not have the support of the Liberal party or of the Liberal cabinet in his back pocket. The Prime Minister (Mr. Trudeau) runs this country, and the Minister of Finance is just one of those people who must grapple with the facts. Grappling with the facts does not enable him to reach the proper conclusion with regard to inflation. We have come to the conclusion that inflation will continue, whether we like it or not.

Bill C-19 locks Canadian wheat producers into a seven year agreement which suggests that Canadian millers will buy wheat for $3.25 a bushel, and the government shall make up the difference between $3.25 and $5. On anything over $5 the poor—I cannot overemphasize that word—producers must bear the loss. When this bill was studied in committee, we were told that all farm organizations agreed with it. But before I get to the committee question, I should emphasize what my amendment does. It proposes

to delete 1980 in lines 27 and 32 on page 2 and substituting the year 1977.

In other words I am saying that we should stick with $3.25 and a subsidy up to $5 until the year 1977. That is a two year contract. Is it so unusual for this House to be asked to support a two year contract? What labour and management negotiations has this House dealt with in recent years? It has dealt with the railways, the grain handlers on the west coast, grain handlers on the St. Lawrence river, and all of them in two year contracts. Why should we superimpose our desire for a seven year contract upon the farmers? Do we think farmers are so naive that they will willingly negotiate this contract? Do we think farmers are so ignorant that they do not know the facts?

Mr. McKinley: There are no farmers in the Liberal Party.

Mr. Horner: The Conservative Party whip is absolutely correct when he says there are no farmers in the Liberal Party, and that is a sad situation. I dealt with the Minister of Justice (Mr. Lang), who is in charge of the Canadian Wheat Board, earlier. He grew up on a farm, but he hates farming. His assistant, his little boy, the hon. member for Assiniboia (Mr. Goodale), hates farming as well, and he has never farmed.

The Parliamentary Secretary to the Minister of Transport (Mr. McIsaac)—

Mr. Lang: On a question of privilege, Mr. Speaker, the hon. member for Crowfoot (Mr. Horner) has said that I grew up on a farm and hate farming. I know he often says things which are wrong, but in a few short words he was wrong in a double barrelled fashion, and I know he would not want to mislead the House. The fact of the matter is that I did not grow up on a farm and I do love farming.

Mr. Horner: Well, everyone reaches his own conclusion about his fellow man. If the minister says he did not grow up on a farm, I was wrong. If he did not grow up on a farm, he grew up in the farming community of Humboldt in Saskatchewan.

Mr. Lang: That is wrong too.

Mr. Horner: But he did not choose agriculture as his vocation, he chose law. I have nothing against lawyers. I have a secret desire for my son to study law, if he can qualify. My secret desire results in a fight or squabble between us. He wants to remain on the ranch and farm. The minister did not pursue agriculture, he pursued law because he did not like agriculture and did not want to have anything to do with agriculture.

Mr. Guay (St. Boniface): You don't like it either.

Mr. Horner: Furthermore, he never even practised law.

Mr. Nielsen: Thank God for that.

Mr. Benjamin: I wouldn't hire him even if I was guilty.

Mr. Horner: I think the minister would be a lot better person today if he had practised law. He would have learned more about humanity than he now knows.

Mr. Caccia: How about talking about the bill?

Mr. Horner: There is no question that I have deep reservations about the bill. Farmers have often found themselves pitted against unions. One does not have to be born and raised in Saskatchewan to realize that. I do not have to be a member of the NDP to realize that farmers often find themselves pitted against the unions. I am asking the minister in charge of the Canadian Wheat Board, who comes from Saskatchewan, to recognize something that we all know, "Ask not more of the farmers than you will ask of your unions". This bill does ask more, Mr. Speaker. It asks farmers to sign up for seven years. When the hon. member for Regina-Lake Centre (Mr. Benjamin) spoke this afternoon about another bill he asked "what union would sign this bill?" He did not think any union would sign up for seven years.

● (2150)

My amendment is a simple one, Mr. Speaker, and even the Minister of Justice could understand it—just change the words 1980 to 1977. If the government is worth relying upon, what is wrong with saying let us move in two stages? That is all I am asking. If the minister cannot equate the cost of production figures to this bill then he should not ask farmers to sign up for seven years, but take it stage by stage. But the government says no.

When the bill was considered in committee the hon. member for Assiniboia (Mr. Goodale), the minister's good little boy, had some strange and interesting things to say about it. Committee proceedings No. 4, pages 26 and 27, report him as saying:

> I think there is a basic problem in the confusion that resulted from those comments between this measure that is before us, which as the minister has pointed out is really dealing with the consumer subsidy aspect of the two-price wheat program, and the stabilization program.

He went on to say:

> It is interesting to look at what the farm reaction has been in fact. According to the announcements and pronouncements of the various farm groups with respect to his two-price wheat program—and to find that specific reaction you have to go back to last fall to look at what the farm groups were saying—it is interesting to note that they have not had much to say or many comments to pass on this legislation—

I am not going to read the whole paragraph but later, as appears on page 26, the hon. member had this to say.

> Almost every farm group that I have heard of endorsed it. At the moment I cannot think of an exception that voiced a contrary opinion last fall to this legislation. Some had reservations when the initial discussion was proceeding during the late summer when that legislation was proposed; I think that announcement was made on September 12. The farm groups, almost to a man—I would want to check my records to be absolutely sure—endorsed the idea.

That is what the hon. member for Assiniboia said to the committee—that almost to a man they endorsed the idea.

I would like to read what farm groups had to say about the amendment I put before the House, and which is being debated today. I defy any member of the House of Commons to say that the Canadian Federation of Agriculture is not the most reliable group to put forward the concerted viewpoint of what is best for agriculture. When they appeared before the Standing Committee on Agriculture on Bill C-19, they had this to say as reported at page 6 of committee proceedings No. 9:

> Since the guaranteed price was set in September of 1973 to the end of September this year, the farm inputs cost index for western Canada has increased by 14.73 per cent and for Canada as a whole by 12.6 per cent. By taking a 13 per cent average and increasing the base price by 13 per cent for the 1974-75 crop year the indicated starting guaranteed price which should be in the bill and the Wheat Board regulations would be $3.67 per bushel—

This bill deals with a basic starting price of $3.25 per bushel, and they deal specifically with $3.67. The brief concludes:

> In summary, it is the policy of the Canadian Federation of Agriculture and its members that the producers' guaranteed base price should be reviewed annually and indexed with changes in the inputs price index with additional payments up to the maximum of $1.75.

I am just asking for a simple amendment to reduce the number of years by three. The Canadian Federation of Agriculture asked that the basic price be reviewed annually. They may condemn me for asking for it every two years. The minister claims to love agriculture so why does he not believe the federation when they ask for an annual review? The minister may not have been born on a farm, and he certainly never went into agriculture when he chose a career. Instead he took law to "bleep bleep" the farmer.

May I call it ten o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, may I ask the government House leader if we will continue with consideration of Bill C-19 tomorrow?

Mr. Lang: Mr. Speaker, it would be the intention to continue with this bill, and probably go on to Bill C-57.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—IMMIGRANT MEDICAL STUDENTS—REQUEST FOR DATA ON WILLINGNESS TO SERVE IN GENERAL PRACTICE AND IN REMOTE AREAS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, tonight I am going to speak in the adjournment debate on the question of bringing foreign doctors into Canada when we have many fully qualified medical students who are being rejected by our universities. One student was even rejected because he was one point too low in mathematics.

It is incredibly selfish for us to bring in half our supply of doctors in the provinces from less affluent countries. Is that Christian ethics, or is it foreign aid in reverse? One doctor came from a country which only had one doctor for every 5,000 people. We have one doctor for every 700

people. Many of those doctors could not qualify for our Canadian medical schools because their education was held to be inadequate. We are concerned about our medical manpower, but where is it? Are the medical authorities concerned about this, or are they shelving their responsibilities? Is medical manpower receiving attention at the federal level?

● (2200)

The only criterion for entrance to Canada is that a doctor wishing to come here must practise where a doctor is needed. That is the admission ticket, and that is some ticket. If a foreign doctor comes to this country and goes to some remote area, he may find it cold, or develop arthritis. He will be lonely and upset, and may develop emotional difficulties and go to the city. Of course if he is in B.C. he can go to Vancouver or Victoria and enjoy a fairly warm climate.

To say that escalating health care costs and abuses can be cut by cutting the number of doctors in practice is nonsense, is pure rubbish. People want to see a doctor; they do not care how many doctors are on the street; they only want to see one. A health care program, if honestly handled, would in no way increase health care costs. It always amuses me to hear people say, "We are well fixed for doctors; we have one for every 620 or so." Let us look at the figures.

About half our doctors are specialists and only see referred patients. What about the other half? Many of those doctors have administrative jobs. They work as insurance medical examiners. They do part-time work. They include members of parliament. Others do local part-time work only when they feel like it. Some work short hours, and only in hospitals. So really, how many doctors are there in general practice? Is there one doctor to every 2,000 people?

In addition, of course, you must consider those who are teachers and researchers. Their numbers must be subtracted from the total. Anyone who argues that health care costs will not go up must, of course, show the government how to take care of all the old people who become ill as they go over the hill in their 40s, 50s, 60s and 70s. As people get older they tend to develop more and more diseases, and you see multiple diseases developing in the same person. We are training geriatricians. Western University, at London, Ontario, I believe has a qualified geriatrician as head of that university's intended chair of geriatrics. Queen's is making a start in this field. Actually, Western had to go outside Canada to obtain a qualified geriatrician.

Let's consider the list of applicants. The University of Toronto leads in having the most medical freshmen born outside this country. I understand that 25 per cent of their freshmen class were born outside Canada. But we reject hundreds of Canadian boys and girls who were born in Canada, who have been brought up in our customs and know our reactions. Many of them have a burning desire to minister to the sick. Many have compassion and feel the urge to become involved in this field. When rejected by this country and its institutions, they go to Ireland, Mexico, or other countries, and come back, after taking this circuitous route, to practise in Canada.

[Mr. Rynard.]

You know, it has never been proven that brilliant students make better doctors. Often the bright and the brilliant suffer from offsetting disadvantages. Often the average student with average marks makes the best doctor.

Some hon. Members: Hear, hear!

Mr. Rynard: All of us in the profession can point to examples showing the truth of what I say. After all, what have mathematics, physics and chemistry to do with general practice?

In conclusion, we say we need foreign doctors to go to our wide open spaces. I object to this tactic. We are asking those doctors to go to places where our own, native trained doctors will not go. How wise are we? I suggest that we shall often find that these foreign doctors will practise for a little while, but then become sick. It is cold in outlying parts, and they are not used to those conditions. They develop arthritis; they get emotionally ill, so they head for the big cities.

Wouldn't it be far better when the prospective medical student is filling out his application for entrance to the university, to ask him: are you willing to go into general practice in outlying areas or where required for the next three to five years? Give him incentives to do that—remove his income tax. You would then find you would be able to pick the number of doctors who would go there, and they would be all the better doctors because of their training in that field. I ask the Minister of National Health and Welfare (Mr. Lalonde) to accept his responsibility in the medical manpower field, to admit some of these average students of medicine, and to stop discrimination against students who may be, in the long run, the best general practitioners of all.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, on February 5, 1975, the Minister of National Health and Welfare (Mr. Lalonde) undertook to inquire about data concerning applications made by medical students to universities in Canada indicating their willingness to do general practice for a stated period, and/or indicating their willingness to go where there is a need for medical manpower in Canada. A check with the department and the provinces has concluded that at the moment no data appears to be available in any comprehensive form at national and provincial levels on either foreign or Canadian medical students applying to the medical colleges indicating their willingness to do general practice for a stated period, and/or indicating their willingness to go where there is need for medical manpower in Canada.

According to the Association of Canadian Medical Colleges, in some medical colleges applicants may be interviewed on their future interest in general practice and their willingness to practise in areas where there is a need for medical manpower, but the answers to these questions are not recorded in any usable form.

NATIONAL PARKS—RIDEAU-TRENT CANALS—AUTHORIZATION OF TOLLS—ESTIMATE OF REVENUE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my subject of debate at this time on the

adjourned motion is one of vital interest to the tourist industry of southern Ontario in the region traversed by the Rideau-Trent canal systems. Up until this year, 1975, these systems have historically remained, as they should always be, free of tolls. Their construction is unique in the western hemisphere and a marvel of construction methods of the 19th century, especially in the Rideau system where the name of Colonel John By, its builder, will endure for centuries.

These canal systems have drawn an increasingly important patronage to the tourist industry, not only from our own users, but all over the North American continent, and a healthy and prosperous tourist industry has been built up along these waterways. This industry has helped our balance of trade more and more each year, and no impediment should be placed in its way. But now the government, through the Ministry of Indian Affairs and Northern Development, has announced that it is placing toll and lock charges on these waterways. I must protest this action as strongly as possible.

I first brought this matter to the attention of the minister in the form of a question on March 24. A supplementary question yielded the information from the minister that the expected revenue would be more than $11 million. He did not give me the right answer to my question. I was asking how much revenue they expected to receive from the canal systems. His answer of $11.6 million was the expected revenue from the whole parks system. I have learned since that they only expect about $300,000 per year revenue from users of the canals, Mr. Speaker. This sum is not worth the effort and should not be levied, considering the damage it is going to do our tourist industry and outfitters along the canals.

I have always been among those who advocate as much freedom as possible in our roads, waterways and communications systems. That is why I have always fought the increase in tolls on the St. Lawrence Seaway just as I fight the installation of tolls and lock charges on the Rideau-Trent tonight. The government is apparently seeking to Americanize our free systems and, in doing so, to stultify and discourage private business. These two waterways have been the vehicle which has helped build our tourist industry and brought business to tourist operators. These operators in turn, individually and collectively, pay tremendous amounts of taxes, municipal, provincial and federal.

● (2210)

I brought this matter up the other night in committee, in fact on April 24. I stated there, and I state again, that the action of the government in placing tolls and lock charges on these formerly free systems directly promotes inflation. By placing charges and tolls on publicly owned and free waterways, the government in a sense is saying, "We are going to get ours—our revenue" and is saying to the tourist operator, "You get yours the best way you know how".

The natural result of this move by the government is to reduce patronage of the waterways by the Canadian and American public, and at the same time reduce patronage and use of the tourist hotels, outfitters and tourist businesses all along the waterways, including the sale of fuel, licences, fishing tackle, liquor, beer, meals, marina services, room and motel and hotel accommodation, and everything that is required for holidayers and tourists. The reduction of gross business may necessitate the raising of rates for accommodation. This is inflationary.

The government already has a taxation stake and interest in those other revenues, so in imposing tolls for the comparatively paltry sum of an estimated $300,000 the government is only going to cut off its nose in order to spite its face. If the government has any regard for the people of southern Ontario who depend on the tourist industry for a living, it should forget about this installation of tolls.

I am not alone in my fight. The hon. member for Kingston and the Islands (Miss MacDonald) has protested this, as has the hon. member for Leeds (Mr. Cossitt) and the hon. member for Simcoe North (Mr. Rynard). Here is a recent report from the Ottawa *Journal* of April 30 headlined "Lock tolls will hurt tourism":

> A federal government plan to charge lockage fees on the Rideau Lakes waterway has drawn sharp criticism from resort and marina operations and the boating public.
>
> Regulations now being drafted by the Department of Indian and Northern Affairs (which administers Parks Canada) would have pleasure craft under 18 feet paying from $3 a day to $50 a season to use the locks. Craft more than 18 feet would pay from $4 to $80.
>
> It's the first time in 70 years that tolls will be charged. And businessmen along the waterway are worried.
>
> "It's bound to affect that tourist trade," said Roy Towle, president of the Smiths Falls Chamber of Commerce. "When people add up the cost of boats, campsites, gasoline and now this, they just won't come."
>
> Joseph Kenny who runs a hotel at Jones Falls, near Elgin, Ontario, is worried his business will drop this summer and he's been writing to his regular guests urging them to protest to Ottawa.

Mr. Kenny's hotel at Jones Falls is typically one of hundreds of small businesses to be unfairly and adversely effected by this toll and lock charge policy.

There is also another point, Mr. Speaker. There is more than the tourist industry involved here. The government is discriminating against the local farmers, landowners, residents and cottage owners along the canal systems who have always used their historic right freely to use the waterways. Farmers often have to go up or down through a set of locks to tend their cattle or livestock, to cut wood, or practise forestry in the husbandry of land, and indeed often have to go through a set of locks to go fishing. Cottage owners often have to go through a set of locks to go to the nearest village to buy their provisions.

These people have riparian rights that the government is now going to charge them to use. If the government insists on putting tolls in place Mr. Speaker, it should give the people I have mentioned special free permits to use the locks; but I protest, as strongly as it is physically possible for me to do so, the charging of tolls to anyone.

On behalf of those in business and resident along the Rideau-Trent waterways from Ottawa to Kingston and from Trenton to Georgian Bay, I call upon the government and its ministry of Indian and northern affairs to reconsider this ill-advised scheme which will be so harmful to these residents, to the tourist industry, to the province of Ontario and to Canada as a whole, and to maintain the free use of these waterways by the already heavily taxed public.

Adjournment Debate

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member for Hillsborough has attempted to show that lock tolls and other levies on the Rideau-Trent canal system will have an adverse effect on tourism. I should like to reassure the hon. member that experience elsewhere, in situations analagous to the canal system in question, has shown positively that tourism continues to grow, and in fact increases if additional funds collected by such charges are used to enhance the service, as will be the case in this instance.

Mr. Alkenbrack: On a point of order, Mr. Speaker, I am not the hon. member for Hillsborough.

Mrs. Campagnolo: I submit that the charges authorized by the minister are indeed reasonable when one considers the level of services given.

In response to the hon. member for Hillsborough on March 24, the minister stated that in 1975-76 $11.6 million would be realized from the total operation. It was the minister's understanding that the question asked pertained to the over-all revenue estimate for parks in Canada. On further reflection it would appear that it was the intention of the hon. gentleman opposite to be apprised of projected estimates from canal systems only. The figure for 1975-76 is $571,000, which I would like to point out is estimated as 7 per cent of the operating costs of those canals. Let us just look at the operating costs estimated at $8,400,000 from which we may subtract user fees estimated at $325,000, and land rentals and licences at $246,000, which total the aforementioned $571,000 in expected returns.

Surely this amount cannot be deemed to be excessive, and it is only prudent to expect that a minimum and reasonable return be made on the investment made by and for the benefit of the people of Canada.

Mr. Alkenbrack: Mr. Speaker, I realize I am not allowed to rise on a point of order during the adjournment debate, but I should like to point out to the respondent for the government that I am not the hon. member for Hillsborough. I am the hon. member for Frontenac-Lennox and Addington.

Mrs. Campagnolo: Might I extend my apologies to the hon. member, Mr. Speaker.

EXTERNAL AFFAIRS—NAMIBIA—GOVERNMENT ACTION TO PREVENT FALCONBRIDGE MINES FROM EXPLOITING WORKERS AND END PRIVILEGE OF CLAIMING FOREIGN TAX CREDITS

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, Namibia, formerly Southwest Africa, was assigned to the Dominion of South Africa by the League of Nations to be held in trust; with a mandate to guide that territory toward political modernity and economic development. For nearly 50 years South Africa neglected her responsibilities and treated Namibia as a colony of her own. For years, as she does today, South Africa refused to co-operate with international organizations, arguing that the United Nations did not have authority over a territory assigned to her by the League of Nations, a different organization, all the time exploiting the resources of Namibia, which rightly belonged to the Namibian people.

Finally on October 27, 1966, the General Assembly of the United Nations took decisive action by terminating the South African mandate and declaring the area to be under the direct responsibility of the United Nations itself. That was United Nations Resolution 2143 (XXI) of 1966.

In July, 1970, the Security Council called upon all states in Resolution 276:

—to withhold from their nationals or companies of their nationality not under direct government control, government loans, credit guarantees and other forms of financial support that would be used to facilitate trade or commerce with Namibia—

In addition the council asked states:

—to discourage their nationals or companies of their nationality not under direct government control from investing or obtaining concessions in Namibia and to this end withhold protection of such investments against claims of a future lawful government of Namibia.

The issue has become increasingly more important. The International Court of Justice in a recent ruling regarding South Africa's presence in Namibia stated:

—that a binding determination made by a competent organ of the United Nations to the effect that a situation is illegal cannot be without consequence—the precise determination of what is to be done is a matter which lies within the competence of the appropriate organs of the United Nations.

This is a specific reminder to countries like Canada of their obligations to uphold Security Council resolutions dealing with Namibia.

Finally the United Nations Commissioner for Namibia issued a decree on the natural resources of Namibia, which has as its purpose the outlawing of any extractive industry in Namibia which operates without the permission of the United Nations Council for Namibia.

It was this kind of background which led me to place some eight questions on the order paper to probe the extent of Canadian involvement in Namibia. These questions led to the discovery that Canadian based corporations operating in Namibia can claim a foreign tax credit under Section 126 of the Income Tax Act.

The largest of these corporations is Falconbridge Nickel Mines Ltd. which shares ownership, 75 per cent to 25 per cent, with the Industrial Development Corporation of South Africa in Oamites Mining Company Ltd.

Falconbridge's performance in Namibia is not one we should be proud of; contract labour, poor housing conditions for black workers, vastly inferior wages and benefits for black workers, and no job advancement for Namibians. Through it all our Canadian government is calmly studying it all, and studying, and studying, and waiting for this report and that report.

● (2220)

It seems to me that this situation is quite clear cut. Canada has agreed by its vote at the United Nations that the government of South Africa is an illegal authority in Namibia. It is not right that Canadians should seek economic gain there in ways which, directly and indirectly, involve an acceptance of such an authority.

How much more reprehensible it is for the Canadian Government to go on making all sorts of fatuous state-

ments about helping developing countries achieve economic stability and health! How gross it is for our Prime Minister (Mr. Trudeau) to be talking about a new economic world order which would give citizens of third world producer countries a better deal! How phoney! The only ones getting a better deal in the Namibian experience are the shareholders of Falconbridge Nickel Mines, and the bosses of South Africa. And don't forget, Mr. Speaker, that even more despicable is the fact that Falconbridge is extracting non-renewable resources from Namibian lands and seas, so that when South Africa finally decides to turn Namibia over to United Nations trusteeship, and eventually to SWAPO, there will be few, if any, resources left.

I would urge the government to initiate the following action now: First, to inform Canadian-based companies that Canada recognizes, as the only legal authority in Namibia, the United Nations Council for Namibia. This position is totally supported by the International Court of Justice, the Security Council and the General Assembly of the United Nations and our vote in that body. Second, since the only legal authority is the United Nations Council for Namibia, henceforth no Canadian-based corporation in Namibia will be permitted to claim foreign tax credits for income taxes, fees, royalties and other payments where such were paid to the Government of South Africa. Third, the Canadian government instructs all Canadian based corporations to negotiate any exploitation or concessions of Namibian resources with the only legal authority there, namely, the United Nations Council for Namibia. Fourth, all Canadian-based operations in Namibia must be informed of these decisions.

That is the kind of action that is needed. Is the Acting Prime Minister trying to tell this House that a government which was as tough as it was in 1970 bringing in the War Measures Act to crush a handful of dissidents, lacks the courage to live up to our international commitments? Who is the Acting Prime Minister afraid of? Was he afraid of world opinion when he supported the United Nations' free Namibia? Is he afraid today to tell Falconbridge Nickel Mines that he supports that position? I don't think he is afraid. I just think he and his government are mealy-mouthed. We have seen that in the so-called energy crisis, the Chilean fiasco, and the recent stranding of approved South Vietnamese immigrants to Canada. Truly it may be said of the Acting Prime Minister and his government as it was said of the seventeenth century Spanish viceroys in New Spain, "They obeyed all laws, but enforced none".

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I wish to respond on behalf of the Parliamentary Secretary to Secretary of State for External Affairs (Mr. Breau).

The Department of External Affairs, in consultation with other interested departments, has for some time now been examining the question of Canadian companies operating in Namibia. Under Canadian law the government cannot force a mode of conduct on business operations of subsidiaries of Canadian corporations in Namibia. It is, furthermore, a principle of government policy not to interfere in the operations of Canadian companies abroad. The various Security Council resolutions on Namibia, and the General Assembly resolutions of 1967, are not mandatory resolutions under Chapter VII of the UN Charter and do not, therefore, impose binding obligations on member states, as is the case with regard to Rhodesia.

The government's position on Namibia has been outlined publicly several times, at the UN and in other international bodies. While we have articulated it in response to inquiries from individuals and companies, it may be appropriate and useful for us to repeat it here. Canada does not recognize the right of the Republic of South Africa to legislate in or for Namibia. In 1971 we informed the government of South Africa that Canada accepted the advisory opinion of the International Court of Justice to the effect that South Africa's administration of Namibia was illegal.

However, we must recognize that South Africa does *de facto* remain in control of Namibia. But, as I indicated, the Government of Canada does not recognize this as having a legal basis. The Canadian government recognizes that the Council for Namibia has the right to make decrees concerning Namibia that are within its competence. The applicability of such decrees, their effectiveness and their status, however, must be examined individually and are dependent upon further action that the United Nations may take either through the General Assembly or the Security Council.

The Canadian government considers that any Canadian companies operating in Namibia do so entirely at their own risk and initiative. Should such companies be subject to confiscation or nationalization of their properties in Namibia, the government's attitude will accord with this position.

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

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, May 7, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

SUGGESTED LOANS TO PROVINCES AND MUNICIPALITIES AT REDUCED INTEREST RATE—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to present a motion of urgent and pressing necessity.

Considering that a $4 million loan in addition to a $1 million subsidy have just been granted to Jamaica for a 30-year period at a 3 per cent rate,

Considering that our government contributes very generously to the development of other countries,

Considering that it is a very commendable action, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the government of Canada take the necessary steps to make such handsome loans available to Canadian municipalities, cities and provinces in order to lessen the tax burden and enable Canadian citizens to be treated on the same standing as foreign countries, thus contributing to reduce the effects of inflation and unemployment.

Mr. Speaker: Order. Under Standing Order 43, this motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTION DEPARTMENT PROMOTE CAREER PERSONNEL TO TOP DIPLOMATIC POSITIONS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise pursuant to Standing Order 43 to seek leave of the House to propose a motion, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie) as follows:

In view of the absolute necessity of preserving a high morale among career personnel of the Department of External Affairs and in view of the absolute necessity of maintaining the right of such persons to work towards promotion to the top positions in Canada's diplomatic service, the House requests the Secretary of State for External Affairs to confirm whether or not the government will not proceed in the very near future with the appointment of a former Minister of Industry, Trade and Commerce, Jean-Luc Pépin, as Canadian ambassador to Tokyo succeeding Ross Campbell, and the appointment of the Minister of Communications, Gérard Pelletier, as Canadian ambassador to Paris succeeding Léo Cadieux.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMMUNICATIONS

REQUEST THAT CN-CP TELECOMMUNICATIONS MAINTAIN STAFF LEVELS AND EXPAND SERVICES IN NORTHERN ONTARIO—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact the Canadian Transport Commission approved an application for an 11 per cent rate increase by CN-CP Telecommunications in 1974, and in view of the fact that CN-CP Telecommunications has announced a policy of one-man offices in Sudbury, Sault Ste. Marie and North Bay while the quantity of business is increasing in these offices, and since this policy means the loss of two or three jobs per community, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instruct CN-CP Telecommunications to maintain present staff levels in all northern Ontario offices, reopen the office in Kapuskasing which was closed last month and institute a program designed to expand services in these areas.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and, therefore, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

REQUEST THAT MINISTER TABLE NEW TRANSPORTATION POLICY WITHIN ONE MONTH—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Minister

of Transport (Mr. Marchand) in January or February promised in Halifax that he would soon be presenting a new transportation policy which he claimed would be an important instrument for regional economic development. We have waited patiently for the minister to present this new transportation policy. I move:

That we now get agreement that the minister table this policy no later than this month.

This motion is seconded by the hon. member for Nickel Belt (Mr. Rodriguez).

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

PROPOSAL TO TERMINATE PAYMENTS ON LOAN TO CUBA—MOTION UNDER S.O. 43

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, under the provisions of Standing Order 43 I would ask leave to present a motion of urgent necessity and of vital interest to the Canadian economy and to the already over-burdened taxpayers of Canada.

Pursuant to ominous warnings in today's media pointing out that CIDA conceals the full amount of its huge aid package to Cuba, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That all payments of the soft loan to Cuba be now terminated and no more money on such lax terms be granted that country.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1410)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR OUTLINE OF PROPOSALS TO CANADIAN LABOUR CONGRESS IN SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister who I am sure will now agree that whatever stage the consensus discussions may have reached, at this time they have certainly reached a stage of utter confusion. Now that the government has received a response from the CLC—and I am not asking the Acting Prime Minister to comment on what the attitude of the government may be in this regard because it has not had time to consider it—will the government disclose quite frankly to the Canadian people what proposals the government has put before the CLC and other groups concerning the consensus program.

[Mr. Hogan.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the Minister of Finance said yesterday the government has been in discussion with various groups in the community in an effort to arrive at some consensus concerning what kind of national action, participated in by all groups, would be appropriate. The papers that were circulated, one of which got into the press, were working papers. At this stage the government is not committed to any particular proposals.

Mr. Stanfield: Mr. Speaker, is the Acting Prime Minister now agreeing that the papers published on Monday called, "Proposals for the First Year of Consensus", and "Machinery for Administering a Voluntary Restraint Program", are in fact the working papers or proposals put before the CLC and other groups with whom the government is having discussions.

Mr. Sharp: Well, Mr. Speaker, in the course of any discussion or consultation of this kind, which is extremely complicated, it is necessary from time to time to put down certain working papers for discussion purposes. I emphasize what the Minister of Finance said yesterday in the House. The government is not committed. These are working papers on which we are seeking to get some reaction and in respect of which we hope to have a continuation of the consultation and which I hope my hon. friend will agree with me, should be successful in the national interest.

Mr. Speaker: A final supplementary by the Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, I should like to ask the Acting Prime Minister who is telling the truth, the Acting Prime Minister who today admits that the documents published Monday were in fact the documents sent out, or the working papers sent out, or the Minister of Finance who yesterday pretended that these must have been earlier working papers that were sent out.

Mr. Sharp: Mr. Speaker, there have been several working papers. I do not think there is any conflict between the two statements.

Mr. Stanfield: Mr. Speaker, may I express the hope that the government is dealing more honestly with the CLC in this connection than it is with the opposition.

Mr. Sharp: Mr. Speaker, may I express the hope that the Leader of the Opposition agrees with us that it is desirable to reach a national consensus.

INFLATION—INQUIRY WHETHER GOVERNMENT MADE PROPOSALS TO PROVINCES CONCERNING APPROPRIATE INCREASE IN MONEY SUPPLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is addressed to the Acting Minister of Finance. In the documentation sent out during the consensus discussions, would the Acting Minister of Finance indicate if there was any documentation supplied especially to the provinces concerning what the government felt would be a suitable increase in the money supply during the restraint period and if so what percentage increase does the government propose? Is it 4 per cent, 8 per cent or even higher?

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, I think this present line of questioning indicates the difficulty of achieving a consensus and conducting negotiations. If the government is to behave intelligently it must make proposals without thereby being bound by them. A variety of proposals have been made to a variety of groups. We are now in the process of getting the reaction of these groups and are trying to synthesize and to resolve the conflicting interests. I do not think it would be particularly helpful to deal in detail in the House at this juncture with the initial proposals made.

INFLATION—REASON FOR LARGE INCREASE IN MONEY SUPPLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, since the Acting Minister of Finance does not appear to wish to deal with the future, and in view of the fact that the Wood Gundy, May, 1975, publication reviewing the economy states that our money increased by 33 per cent, annualized in the first quarter of this year, compared with 4 per cent in the United States, would the minister indicate why such a staggering increase in our money supply was felt justified in the first quarter of this year?

Hon. C. M. Drury (Acting Minister of Finance): I think that on a number of occasions the Minister of Finance has pointed out the hazards of endeavouring to project performance in a relatively short period to an annual or continuing basis.

INFLATION—INCREASE IN LABOUR COSTS—POSSIBILITY OF PROPOSALS TO BUSINESS AND LABOUR TO REVERSE TREND

Mr. Sinclair Stevens (York-Simcoe): Considering that the Department of Finance review for 1974 notes that labour costs per unit of output are rising more rapidly in Canada than in the United States, did the government discuss the need to maintain Canada's competitive trade position in their consensus talks with business and labour and, if so, did the government offer any program to help reverse this undesirable trend in the nation?

Hon. C. M. Drury (Acting Minister of Finance): Obviously one of the fundamental purposes of the exercise is to achieve just those objectives.

HOUSING

RENT INCREASES FOR SENIOR CITIZEN UNITS—GOVERNMENT ACTION TO PREVENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Considering that the documents that were sent out to both organized labour and to provinces—which they received last week and which were the only written documents sent out in this exercise, and as far as the provinces and the organized labour movement are concerned it is their understanding these are the only written documents they will get from the government—contain no provisions for dealing with rent increases, would the minister say, in light of the announcement that CMHC will permit an increase in the rent for senior citizens in metro Toronto of between 21 and 59 per cent effective on August 1, whether he has any plans which he intends to implement to head off what could be a disastrous increase in rents for senior citizens in that area?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the rental increases to which the hon. member referred are under the limited dividend rental program. These are the only rents to be increased that I know of and they are carefully observed by the corporation to make certain that they reflect only actual increases in operating costs and nothing more. I believe it would be wrong to have one segment of the population paying less and others paying an undue amount more. We are trying to achieve equity in this situation for all Canadians, and these increases reflect actual increases in operating costs.

Mr. Broadbent: Mr. Speaker, just to ensure that I understand what the minister is saying, is he saying that it would be inequitable for the government to take steps specifically to keep down the housing costs of senior citizens, or is he saying that such a selective move would be unfair?

Mr. Danson: No, Mr. Speaker, we do it all the time through senior citizen housing, through section 44(1) of the National Housing Act under which we subsidize those people who need it and where high priority is given to senior citizens, and for those in low income groups this is also done in other ways. In this situation for limited dividend housing, if the rents did not reflect the real increase, no more apartments would be built. The fact is that we have more than double the number of calls for building new rental accommodations at low rates for Canadians as a result of those programs and of keeping the rents low, but allowing them to reflect an actual increase in costs.

● (1420)

REQUEST FOR STATEMENT OF GOVERNMENT PLANS TO INCREASE NUMBER OF STARTS

Mr. Edward Broadbent (Oshawa-Whitby): Specifically on the issue of increasing the housing supply, the figures released just the other day show that there was a decline in starts for the last month of some 25 per cent compared with the same month a year ago, and we now have a cumulative decline in housing starts in 1975 for the first

four months of some 40 per cent compared with last year in urban areas. Could the minister inform the House at long last what he soon plans to do to increase the supply of housing in urban areas of Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): As the hon. member will acknowledge, the rate of starts is up from 138,000 to 185,000, an encouraging increase. That is not as far as we would like it to go, and if I am asked what I am going to do, the answer is plenty.

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[*Translation*]

AIR TRANSPORT

SUGGESTED INSTALLATION OF NAVIGATIONAL EQUIPMENT AT VAL D'OR AND ROUYN

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the hon. Minister of Transport.

Surely the minister is aware of the very serious problem situation which has existed at both Val d'Or and Rouyn airports ever since the withdrawal of the National Defence component. Air traffic at both these airports is so heavy that it has become a major source of danger for aviation in general. Could the minister advise the House today whether his department is taking the necessary steps to install navigational equipment so as to ensure safety as soon as possible both in Val d'Or and Rouyn?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I already answered a somewhat similar question last week. Following the removal of the radar station at the military airport, we have sent investigators in the field—they are probably still there—to study the issue of air traffic. If they should report the least possible danger, as suggested by the hon. member, we shall see to it that navigational equipment is in operation to prevent any possible accidents at both these airports.

Mr. Caouette (Témiscamingue): Mr. Speaker, a supplementary question.

Could the minister advise the House whether these people are now carrying out their investigation in Val d'Or and Rouyn at the same time?

Mr. Marchand (Langelier): I think so, Mr. Speaker, but I would rather find out first before saying "yes".

* * *

[*English*]

ADMINISTRATION OF JUSTICE

REASON FOR POSTPONEMENT OF DEATH PENALTY IN CAPITAL MURDER CASES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Solicitor General a question, but I will wait until he gets to his seat.

Many statements have been made since the leader of the Social Credit party asked the minister questions yesterday. Violent crimes are on the increase in Canada, and the minister is blamed for many things, including the housing situation in Canada, where starts are down 25 per cent. Is the purpose of the extension date of the penalty in reference to capital murder to bring in new legislation to ban capital punishment, or is it to bundle all capital murder convictions—and there may be seven or eight—together and have one political smell at one time?

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker.

Mr. Woolliams: What then is the purpose of the extension?

Mr. Allmand: Mr. Speaker, it was impossible to deal properly and fully with the question of Mr. Vaillancourt before May 15, the day set for execution. The case was quite complex, and there were implications which went beyond that one particular case. We wanted to consider it in depth.

SUGGESTION SOLICITOR GENERAL POSSIBLY MISLED HOUSE WHEN INTRODUCING LEGISLATION ON CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Could the minister advise the House if his attitude and philosophy at the time he produced the legislation banning the death penalty for capital murder was the same as the philosophy and attitude he exercises now where he says he will not under any condition agree to having the penalty for capital murder carried out at this time? Does he feel under those circumstances, particularly with his colleagues from the province of Quebec and other provinces, that he misled the House?

Hon. Warren Allmand (Solicitor General): With the information I now have I am completely opposed to capital punishment.

Some hon. Members: Hear, hear!

Mr. Allmand: However, as a Liberal I believe in reasonable discussion with people who hold other views and I will continue to do so. If they put forward other arguments I will take those under consideration.

Some hon. Members: Hear, hear!

Mr. Woolliams: Mr. Speaker, in light of the answer the Solicitor General has given and with reference to his change of attitude, does he then agree that he should support the 30 per cent of the people and object to the 70 per cent and is he prepared to listen to that 70 per cent or is he only prepared to listen to the 30 per cent?

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URBAN AFFAIRS

TORONTO WATERFRONT PARK—ALLEGED FIRING OF MR. MISKIMAN—REASON FOR INCREASED COST—SUGGESTED CLOSER COOPERATION WITH CITY OFFICIALS

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Can the minister clarify the statements

made by this special assistant about the firing of the Toronto Harbourfront chief, Mr. Miskiman, as a result of the unsuccessful attempt to date to develop the 1972 Liberal election campaign promise, which was one of many? Can the minister also tell the House what steps are being taken by his department to bring some semblance of order to the chaotic situation which now exists surrounding this election "goodie"—some goodie it was, too.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there is no chaos. It is only in the mind of one journalist who seemed to have the situation totally confused. Mr. Miskiman is still there and I hope he will continue to be. He is a very able person from the executive exchange program. He is running the show and doing an excellent job and we are behind him 100 per cent. I will meet with the mayor of Toronto on Friday following the regular weekly meeting with the intergovernmental steering committee which meets regularly. There is complete co-operation and understanding between the city, Metro, the province and ourselves and we are producing what will be an excellent program of excellent planning for this park which will be for all time.

Mr. Jelinek: A supplementary, Mr. Speaker. It is obvious there exists a lack of communication within the minister's department. Can the minister explain why the $30 million original estimate for the park has skyrocketed to some $100 million with very little to show for it? I have personally inspected the site, as have many others. Can the minister assure the House that closer consultation will take place with Toronto city officials who have objected that there has not been enough consultation with them in the past?

Mr. Danson: Mr. Speaker, the elected representatives have not made that objection to me, that there has not been sufficient consultation. Certainly, consultation has been continuing and positive between those people and myself. As I mentioned, I will be meeting with the mayor, to whom I spoke twice in the last couple of weeks, on this subject. There is continuing dialogue and we want to see continued co-operation. As far as the cost of the land is concerned, that is within the province of my colleague, the Minister of Public Works. This is perhaps one of the most valuable sites in Canada and I understand expropriation is proceeding.

Mr. Jelinek: A final short supplementary, Mr. Speaker. Can the minister advise the House why it is taking so long to have any obvious development on the waterfront park when it was promised that the date of completion would be earlier?

Mr. Danson: Mr. Speaker, I mentioned that this is probably one of the most valuable sites in Canada and that is why we are taking time in the preparation and planning so that the people of Toronto will have a park that is for all time. It should be developed well and I think we should show a considerable amount of forethought. In the meantime, activity is taking place. Over half a million people visited the site last year and that is a lot of people, even for Toronto.

NATIONAL PARKS

FUNDY NATIONAL PARK—REQUEST FROM ALBERT COUNTY TOURIST ASSOCIATION TO DISCUSS ENTRANCE FEE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, yesterday I tried to widen the perspective from Hamilton to the Bay of Fundy and today I find that Toronto is occupying a good deal of the time of the House, as usual. I have a very important question for the Minister of Indian Affairs and Northern Development. Has the minister responded to an urgent request from the Albert County Tourist Association in New Brunswick to visit Fundy National Park and the adjoining village of Alma to discuss the hardship anticipated by the new fee schedule?

● (1430)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, some representatives from the Albert County Tourist Association met me when I was in Cape Breton a couple of weeks ago and indicated their concern. I told them that we would watch the situation closely, and if it had an adverse effect would be prepared to see what modifications we could make. Our experience in other areas has been that where similar fees have been imposed, tourism has continued to go up rather than to decrease.

ENTRANCE FEES—POSTPONEMENT OF IMPLEMENTATION FOR ONE YEAR IN PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): A supplementary question, Mr. Speaker. Now that the minister has been to Prince Edward Island and held discussions with the premier and government of that province, has he changed his mind and given the right answer to their representations on this matter, which were very, very correct?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the hon. member is aware, because of the particular situation in Prince Edward Island we agreed to defer the fee there for one year. However, we pointed out to the people of the area that the fee is to apply to vehicles, not individuals. We are looking at the possibility of building parking sites in several areas so that there will be access by foot to the beach.

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HOUSING

RENT INCREASES IN LIMITED DIVIDEND PROJECTS—REQUEST FOR REVIEW AND TYING RENT TO INCOME

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Has he asked or will he ask Central Mortgage and Housing Corporation to review proposed rent increases in limited dividend apartment buildings and consider tying those increases to income?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, we are reviewing this on a regular

basis but I will have the corporation look at any increases that seem out of line. There is provision for those who are tied to income under our rental supplement program and other programs. The limited dividend provision works a little differently, but I accept the hon. member's representation and will check any specific ones which seem to be out of line.

Mr. Broadbent: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Vancouver-Kingsway.

INCREASED RENT FOR SENIOR CITIZENS UNITS IN BRITISH COLUMBIA—REQUEST MINISTER INTERVENE TO REDUCE

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, may I direct a question which is supplementary to that of the hon. member for Oshawa-Whitby to the minister responsible for housing and urban affairs. As the people's government of British Columbia froze all rent increases in the private sector to 10 per cent but raised the price of federally funded low cost housing for the aged by about 45 per cent, will the minister intervene and give the aged of British Columbia the same break as others are getting under federal housing programs, where increases and set at about 6 per cent?

Mr. Broadbent: They have the best deal in Canada, and you know it.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, sometimes it would seem more appropriate for some members of the House to ask their colleagues in the provinces the questions they ask me. These rents, of course, are entered into on the basis of agreements with the provinces. The provinces have jurisdiction in the specific area. We share those rent supplements, but if the province wants to do it another way there is little we can do about it except discuss it with them, which we shall do.

Mr. Speaker: The hon. member for Oshawa-Whitby on a point of order.

Mr. Broadbent: Mr. Speaker, my point of order pertains to an earlier question and answer.

Some hon. Members: Order.

An hon. Member: Remember the new rules!

Mr. Broadbent: Mr. Speaker, I have lots of time. My point of order refers to an answer made by the Minister of State for Urban Affairs to the hon. member for Parkdale. If I understood the minister correctly, he said something contrary to what he had said to me earlier. I asked the minister about rents for senior citizens and he at that time said—

Mr. Speaker: Order, please. I wonder if the hon. member would be good enough to raise his point at three o'clock.

[Mr. Danson.]

INDUSTRY

MICROSYSTEMS—REQUEST FOR ASSURANCE EQUIPMENT PURCHASED BY FORMER EMPLOYEE DOES NOT BELONG TO GOVERNMENT

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce? As a former employee at Microsystems recently purchased at an incredibly low price equipment from Microsystem analytical chemistry laboratory, would the minister assure the House that this equipment was not part of the equipment which belonged to the government by reason of loans to that company which are still outstanding?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will be pleased to make inquiries and reassure the hon. member on that point. I think I should take the opportunity of drawing his attention to a letter from the president of Microsystems to his leader, which was made public today and which should set at rest some of his concerns and concerns of his leader with respect to so-called missing equipment.

Mr. Saltsman: Mr. Speaker, if I must choose between the word of the president of Bell and the word of my leader, I will take my leader's word.

Some hon. Members: Oh, oh!

MICROSYSTEMS—REQUEST FOR ASSURANCE WHEN EQUIPMENT SOLD IT WILL REMAIN IN CANADA

Mr. Max Saltsman (Waterloo-Cambridge): May I ask the minister this supplementary question: As several microelectronic firms have expressed interest in buying the processing equipment which this government helped Microsystems to acquire, and as these companies intend to use this equipment to employ people in Canada, will the minister assure the House that he will make it a condition of sale that the machinery is to be kept in Canada and that whoever buys it will use it for the manufacture of semiconductors?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we will certainly raise that question with the officials. Indeed, we have already done so. I should make it clear to the hon. member that the loans made to that company were secured by this equipment. If those loans are fully repaid, that equipment will belong to the company, and in law they have the right to use that equipment or dispose of it as they see fit. Notwithstanding that, I assure the hon. member we will do everything we can to make sure the equipment is used for Canadian industry in Canada.

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TRANSPORT

LOSS OF GRENADES DURING TRANSIT BY RAILWAY—REQUEST FOR REPORT ON INVESTIGATION

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is for the Minister of Transport. On April 29,

in responding to my question, the minister indicated he would conduct an investigation into circumstances surrounding the theft of grenades in Chilliwack. Can the minister now say what were the results of the investigation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a few days afterwards I met with Mr. Bandeen, president of the CNR, and asked him how this incident had happened. He was to inquire into the system they were using for the transportation of explosives or grenades. Now, they are looking for a better way, because it is not necessary to have—

[*Translation*]

May I be allowed to say it in French, Mr. Speaker: to have the whole grenade, or the fuse and the grenade, and to transfer them together. In other words, any of the two parts, either the grenade without the fuse or the other part, that is the fuse, could be moved separately in safer conditions.

[*English*]

CN is now trying to find out what happened in British Columbia.

* * *

TRADE

GOVERNMENT ACTION TO ENCOURAGE HIGHER PROPORTION OF FABRICATED PRODUCTS FOR EXPORT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As figures published by the Department of Science and Technology indicate that the trade deficit in high technology products approached $7 billion in 1974, can the minister explain what progress has been made to date and what action is planned toward the goal of encouraging a higher proportion of fabricated products in total Canadian exports?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this has been done by a variety of programs, through PAIT grants, through research and development grants, through DIP grants, by measures to assist those entrepreneurs in Canada who want to develop and specialize in new technology products, and through other measures such as the negotiated undertakings under the Foreign Investment Review Act.

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GRAIN

WHEAT—SUGGESTED EXTENSION OF DELIVERY QUOTA DATE

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, my question is for the minister in charge of the Wheat Board. In view of the Wheat Board's announcement that quotas on red spring and Durum will be closed effective May 16, and as road bans will stop many producers delivering before that date, would the minister inform the House if he intends to ask the Wheat Board to extend delivery quotas beyond May 16?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had discussions with the Wheat Board about this problem, relaying to them many requests from farmers which I received while I was in meetings in the prairie provinces a week ago and since. The board has confirmed its usual position that it will try to be as reasonable as possible. It will consider the appropriate steps to take to ensure that all farmers who do not otherwise have reasonable opportunity to deliver will in fact have that opportunity before their quotas terminate.

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● (1440)

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—REASON FOR FAILURE TO PROSECUTE FOR NON-COMPLIANCE WITH BACK-TO-WORK LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Labour. All across this strike-ridden country people are asking why it is that when the Supreme Court of Parliament spoke and gave its direction to the longshoremen on the St. Lawrence that they must go back to work that no prosecutions for this flagrant contempt of parliament have taken place. What is the reason for that?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I agree with the right hon. gentleman's analysis of the situation. Having said that, I would tell him that everything is being done—

Mr. Diefenbaker: What?

Mr. Munro (Hamilton East): Let me just tell you what is being done. The matter is coming before the courts in Montreal tomorrow with respect to the application for an order under the act of parliament. That is as soon as the Justice officials can get a hearing before the judge. I believe the right hon. member will agree there is no question that we must pursue the legal sanctions of the act of parliament and that is what we are doing. The unions have a right before the courts of this land to contest the legislation if they desire. They will have this opportunity tomorrow.

While that course of conduct is being followed, I would advise the right hon. gentleman that investigations are taking place with regard to accumulating evidence necessary to lay charges under the Labour Code and possibly the Criminal Code. I hope to be able to report, not only to the right hon. member, but to parliament that charges will be laid against certain individuals in the near future.

Mr. Diefenbaker: Has the minister any assurance that these lawbreakers will obey the direction of a court of law while at the same time contemptuously treating parliament? Has he any such assurance? Also, why has it taken ten days or more to investigate wrongdoing that is so apparent even a blind man could gather together the necessary evidence to prosecute these people?

Mr. Munro (Hamilton East): To start with, Mr. Speaker, the right hon. member should reassess the number of

days that have elapsed. The employer is not overburdened with work, particularly in the port of Montreal where most of the longshoremen are hired, and did not call the workers into work until several days after the law had passed.

Mr. Fairweather: Ships were being diverted.

Mr. Munro (Hamilton East): That is right. As a result of the delay in asking the men to come to work, there could be no evidence to gather as to the refusal to work. That is most definitely an element in the situation. On the other point, I am satisfied, and I hope I can convince the right hon. member of this, that the Justice officials are doing everything they possibly can to get the necessary evidence and the court time to hear it.

Mr. Diefenbaker: As a lawyer, does the minister not realize the fact that these people have not obeyed the order is sufficient to take proceedings without any further investigation?

Mr. Speaker: Order, please.

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[*Translation*]

SOCIAL SECURITY

THE ADJUSTMENT OF WELFARE PAYMENTS—GOVERNMENT POSITION

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the hon. Minister of National Health and Welfare concerning the difficulties experienced by senior citizens under 65 who must rely on welfare benefits.

For example, in the province of Quebec, two people under 65 are allowed approximately $250, whereas at 65, they will receive at least $400 if they have no other income. In the discussions which have been held with the provincial ministers of social affairs could the minister say whether the possibility of raising welfare benefits was considered, at least up to the amount of the old age security pension?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, that question was not considered as such, but I had already suggested in February and at the last conference, that a guaranteed income program for those unable to find work, should be implemented as soon as possible, even as soon as 1976. As my hon. colleague knows, certain provinces, especially the representatives of the province he is from, objected to our proceeding too fast in that field.

Mr. Matte: Mr. Speaker, I have a supplementary question.

The minister says that this question has not been raised, but would he tell us whether he feels this is a normal situation when, for instance, a couple aged 64 who receive benefits in the amount of $250 will receive $400 next year when their needs will be the same.

Mr. Lalonde: Mr. Speaker, this is a matter about which I made many speeches in this House, specially when I objected to arguments brought forward by the NDP and the Creditistes, when they wanted old age security pensions increased and not let us do anything for those under 65 who were in need.

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[*English*]

PENSIONS

DATE OF REPORT OF DR. HALL ON RAILWAY PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Can the minister now say when he expects to receive the report of Dr. Noel Hall, the commissioner appointed to examine all aspects of railway pensions?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, we have been advised by Dr. Noel Hall that he is having hearings all across the country. This is taking time. We want him to do a thorough job. He is inviting briefs from everyone who is interested. The latest report I have is that the exercise he is now going through will be completed relatively soon and we might expect the final report around mid-July.

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CANADIAN NATIONAL RAILWAYS

SUGGESTION COMPANY INDEX PENSIONS WITHOUT WAITING FOR HALL REPORT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. In view of the fact that Canadian National Railways escalated the pensions of its retired employees for three or four years but has not yet indexed them in 1975, will the minister make representations to the CNR to do this for 1975 without delay and without waiting for the Hall report?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, that is a very appropriate question. I have already discussed this problem with the Minister of Labour. I will discuss it with the authorities of CNR so that the employees will not be frustrated as they have been for many months.

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TRADE

SUGGESTION CANADA NOT EXPORT URANIUM OR THE CANDU TO COUNTRIES NOT SIGNING NUCLEAR NON-PROLIFERATION TREATY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Acting Prime Minister. Given the fact that the Secretary of State for External Affairs has said that Canada is one of the strongest supporters and advocates of the nuclear non-proliferation treaty, can the Acting Prime Minister assure the House that Canada will not under any circumstances export any uranium or nuclear related

products to any country that is not a signatory to that agreement?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know that I can give that undertaking. However, we certainly will not ship any technology or uranium to any country that does not observe the safeguards that we consider necessary.

Mr. Gillies: Can the Acting Prime Minister assure the House that if Canada engages in any deals to sell the CANDU to any country that is not a signatory to the non-proliferation treaty that we will insist on on-site inspections by approved Canadian inspectors to make sure that the tragedy that happened in relation to our dealings with India does not happen again?

Mr. Sharp: Mr. Speaker, I remind the hon. member that the arrangement that was made which led to the Indians using our reactor in a so-called peaceful nuclear explosion occurred before there were any international safeguards in place. Since that time, however, we have always insisted that India observe international safeguards. That has been our position and it continues to be so. I am not absolutely sure that we can enforce a rule about nuclear proliferation treaty signature or ratification, but certainly we will insist on there being adequate safeguards either in that form, or in the form of the international safeguards with international inspectors or Canadian inspectors.

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● (1450)

ENERGY

CANDU REACTOR—POSITION OF INDIA ON ACCEPTANCE OF SAFEGUARDS AND INSPECTION

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct a supplementary question to the Acting Prime Minister. Could the Acting Prime Minister indicate whether India has presently accepted the International Atomic Energy Agency's safeguard of on site inspection, and would the minister confirm whether or not India has the right to inspect Canadian installations on Canadian soil if, for example, Canada wants to send spent fuel cells to a country that has adopted the IAEA regulations?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, that is a very complicated question for the question period. I would remind the hon. member that when we entered into our agreement with India, which antedated the international system that was later established, we had a system of mutual inspection in which India had certain rights as well as Canada. I am sorry I cannot answer the question specifically. I will have to take it as notice and I will undertake that either I or the Secretary of State for External Affairs will provide an answer.

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR REPORT ON GOVERNMENT ACTION TO SECURE RELEASE OF CANADIAN MISSIONARIES

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the commitments given the government that non-combatant, non-political civilians would not be held captive in Viet Nam by the communist occupation forces and that any Canadians detained would be released as soon as they were identified as citizens of this country, would the minister advise whether there is any progress to report regarding efforts to secure the release of seven missionaries held in a prisoner of war camp at Dak To, including a five year old girl and two Canadians from Hamilton, Ontario?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, like the hon. gentleman I have been receiving many letters on this subject, particularly from residents of Hamilton. I can assure the hon. member that we will do everything possible to secure their release.

Mr. O'Sullivan: A supplementary question, Mr. Speaker. In view of the fact that this is not a new issue but one with which the minister has been involved for at least a couple of weeks, perhaps several weeks now, would the minister advise what substantive efforts, if any, the government has taken to secure the release of these people who are being held captive in direct violation of the Paris peace agreement?

Mr. Sharp: Mr. Speaker, I would have thought the Paris peace agreement, which was between the various parties involved in the Viet Nam war, has now been superseded by events. I think we shall have to depend upon other means to secure their release. I would hope that in the near future we will have established relationships which will enable us to make direct representations, and I hope we will have the hon. member's support if we do establish those relationships.

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AIR TRANSPORT

USE OF FRENCH BY AIR TRAFFIC CONTROLLERS—REQUEST FOR REPORT ON MEETING WITH PILOTS ASSOCIATION—GOVERNMENT POSITION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I direct my question to the Minister of Transport. On April 30 I raised the question of possible danger to the air travelling public as a result of other than the English language being used in air to ground communications in Quebec. My question at that time was based on the fact that the Ministry of Transport has itself investigated and reported on two recent Canadian aircraft accidents in which English French language usage and confusion were contributing factors. The minister promised to meet with members of the Canada Air Line Pilots Association. My question today is: Can the minister now inform the House of the results of that meeting, and is he now in a position to reverse government policy on this matter regarding the safety of Canadians?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we did not have one meeting but we had several meetings on that question. The officials in charge of the department met not only with the CALPA group but will also meet with the national organization early next week, I think, in order to receive their representations and to try to define a policy that will ensure there is no risk for those who are travelling as a result of the use of two languages.

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THE ARTS

REQUEST FOR SUPPORT FOR FEATURE FILM INDUSTRY

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is addressed to the Secretary of State and concerns the desperate state of the Canadian feature film industry. Is the minister prepared, either directly or through the provincial governments, to offer concrete support to the industry in the form of quotas, levies and/or distribution controls?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, officials of my department have now completed or have almost completed a series of meetings with the provinces on the matter of quotas and levies. There have been meetings with nine provinces; we are meeting with the tenth on Friday of this week. The legislative jurisdiction in this field is clearly provincial. I am simply making representations to the provinces on behalf of the industry in regard to both the question of quotas and levies.

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CANADIAN BROADCASTING CORPORATION

SUGGESTED RECONSIDERATION OF RESHOWING OF PROGRAM, "ENCOUNTER WITH CANCER"

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a question for the Secretary of State who is responsible for the Canadian Broadcasting Corporation. My question arises by virtue of representations received from the Saskatchewan division of the Canadian Cancer Society relating to the proposed reshowing on CBC of the program "Encounter with Cancer". In view of the fact that the Canadian Cancer Society had some serious misgivings with respect to the promotion on that program of a wonder cure drug for cancer, laetrile, would the minister be prepared to have the CBC reconsider, or would he ask them to reconsider, their proposal to reshow this particular documentary?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I have received representations from many private organizations and from members on both sides of this House. I have also had representations from the Minister of National Health and Welfare which support the position taken by the hon. member. These representations have been made to the CBC on behalf of those who have made them, and I am now awaiting a reply.

[Mr. Crouse.]

HOUSING

REQUEST FOR OUTLINE OF MEASURES TO INCREASE NUMBER OF STARTS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs responsible for housing. Earlier the minister seemed to indicate his satisfaction with the present rate of housing starts. Is the minister aware that total starts for the first four months of 1975 are more that 40 per cent below those for the same period last year; and is he yet prepared to announce any new measures that would accelerate this retarded growth rate?

Hon. Barney Danson (Minister of State for Urban Affairs): I apologize, Mr. Speaker, but I do not know what the word "retarded" refers to. I said quite clearly that I was deeply disturbed and I was going to do plenty about it. I cannot make an announcement now but I will at the appropriate time.

Miss MacDonald (Kingston and the Islands): A supplementary question, Mr. Speaker. The "retarded" refers to starts being 40 per cent below this time last year. Given the critical need in the housing sector, would the minister say when these new measures will be implemented, or are we to expect that they, too, will be implemented on a stage by stage basis?

Mr. Danson: No, Mr. Speaker; they will be as soon as it is possible to do so. I have spoken with the housing ministers of all the provinces in the last few days, and I am hoping to speak to another minister today. Another is away in Europe. There has been close consultation throughout. They are aware of the urgency, the government is aware of the urgency, and we are proceeding with all haste.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. My point of order, to which I referred earlier, concerns an answer given by the Minister of State for Urban Affairs (Mr. Danson). I know Your Honour is not concerned with the quality of answers given in the House; if I may say so, that would be entirely inappropriate. But there is some concern that the minister not misinform the House, and I should like the situation clarified.

When I asked the minister about the increase in rents for senior citizens in Toronto from 21 per cent to 59 per cent, the minister told me that the matter was proceeding and that they were going to pay this increase. In fact, he went further and said that the government did that all the time. Then when the hon. member for Parkdale (Mr. Haidasz) asked the question about the possibility of having rents geared to the income of these people, if I understood him correctly the minister said the government would consider that possibility.

● (1500)

My point of order is that those answers, if I understood them correctly, are contradictory. Either they are going to pass on the increase, as the minister said to me, or they are going to consider making the increase dependent on income level. I should like the minister to clarify the situation.

Mr. Danson: I acknowledge the point of order, Mr. Speaker. I believe the hon. member has misunderstood me. Since he has, I would expect him to be concerned—as he always is, anyway. There were two different questions, as I understood them. We were dealing precisely with limited dividend section 15(1) rental accommodation, where rents are allowed to reflect the actual increase in cost. If I understood the hon. member for Parkdale (Mr. Haidasz) correctly and they were not properly reflected, those increases would be looked into.

In so far as senior citizens' accommodation, per se, is concerned, we have other and special arrangements there. Even in respect of limited dividend accommodation—I must say this is further than I went in the previous answer—and the new call for $200 million, which produced some $540 million in responses, we require that the entrepreneur allows at least 25 per cent of those units for low-cost housing, much of which is senior citizens' low-cost housing where there is aid for other forms of housing as well.

Mr. Speaker: I express my gratitude to both hon. members for clarifying that very difficult point.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. LALONDE—QUALITY OF QUESTIONS ASKED DURING ORAL QUESTION PERIOD

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I rise on a point of order or a question of privilege. The hon. member for Oshawa-Whitby (Mr. Broadbent) has just raised a question about the quality of answers; I in turn should like to raise one about the quality of questions. Yesterday the hon. member for Yukon (Mr. Nielsen) asked a question about nurses in Yukon. In his question, at page 5505 of *Hansard*, he said:

> By way of enlightenment for the Minister of National Health and Welfare, even the designated nurses in the Yukon are on strike.

I certainly would not want to believe or to lead anyone to believe that the hon. member would have wilfully misled the House. I have carefully checked this matter and think, for the sake of the reputation of the nurses who are working for the federal government and doing an outstanding job, I should point out to the House that there is no evidence at all that designated nurses in the Yukon have not obeyed the law. They are respecting the law as it exists. No designated nurses are on strike in the Yukon.

Mr. Erik Nielsen (Yukon): Mr. Speaker, as one who is just as concerned as the minister with the reputation of Yukon nurses, let me say at once that I am prepared to accept the results of his investigations and concede that my information may have been inaccurate.

MR. McKENZIE—CIDA FINANCIAL AID TO CUBA

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question of privilege is directed to the Acting Prime Minister (Mr. Sharp) and is in respect of a front page story in today's Ottawa *Journal* under the headline, "CIDA conceals full amount of huge aid package to Cuba". The article in part states:

> Top Canadian International Development Agency management has agreed to keep $11 million earmarked for Cuba hidden to avoid conflict with other government departments, the *Journal* has learned.

I raised this matter last Friday in the Standing Committee on External Affairs and National Defence. I asked the president of CIDA, Mr. Gérin-Lajoie, to tell me the exact amount of aid to Cuba and he said; I quote from the evidence of that committee hearing at page 19:19:

> That is the past, and for the future as from the present year and the coming three years, the answer is $10 million if the form of a loan and about $3 million in the form of grants.

In the minutes of the president's committee that was held at Montebello on December 2 to December 5, we find at page 6 the following:

> After involved discussion of the Cuban program it was agreed that as a tactic in presenting the reviews interdepartmentally reference to a $23.5 million program would be changed to a $12.5 million program.

They were not going to publicly announce the full amount of the loan because of the outcry and apparently some difference of opinion between the Minister of Finance (Mr. Turner) and the Secretary of State for External Affairs (Mr. MacEachen). The minutes went on to state:

> It was felt that interdepartmental—

Mr. Speaker: Order, please. I am having difficulty grasping the nature of the hon. member's question of privilege.

Mr. McKenzie: The question of privilege is that the *Journal* has already obtained the minutes of these meetings which state that the actual loan is $23.5 million, and they are not going to announce the full amount but conceal $11 million. This is taxpayers' money, and this is a Crown corporation. There is no way this development agency should deliver $23.5 million to Cuba and publicly state it is only $12 million. In addition, in other minutes of their meetings—

Mr. Speaker: Order, please. I think, in fairness, the hon. member may have a very valid point of concern or of debate, but surely this is a question which he ought to put before the standing committee or during consideration of the estimates. The fact of the matter is that the hon. member must surely realize that while this is a valid point of concern for discussion, it cannot be considered a valid question of privilege in any sense of the language.

Mr. McKenzie: In view of the conflicting statements in those minutes and in the newspaper, and the conflicting statement to the external affairs committee last Friday, I would ask the Acting Prime Minister to conduct an independent inquiry into these allegations to find out whether this loan to Cuba is $23.5 million or $12 million. We are entitled to a correct answer as to the amount. That is my question of privilege.

Order Paper Questions

Hon. Mitchell Sharp (Acting Prime Minister): Like yourself, Mr. Speaker, I am not quite sure what the question of privilege is. If the hon. gentleman or one of the spokesmen for his party decides that they would like to have the Secretary of State for External Affairs (Mr. MacEachen) or the Minister of Finance (Mr. Turner) before this House on one of the allotted days when these questions could be put, then his curiosity could be satisfied.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 535, 1,536 (Supplementary), 1,806, 1,863, 1,995, 2,110, 2,112, 2,150, 2,159, 2,223, 2,224, 2,244, 2,275, 2,294, 2,348 and 2,359.

Mr. Speaker, would you be so kind as to call starred question No. 2,284?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

GRANTS TO CANADAIR LTD. AND DE HAVILLAND AIRCRAFT OF CANADA LTD.

Question No. 535—**Mr. Broadbent:**

What were the total amounts received by Canadair Ltd. and De Havilland Aircraft of Canada Ltd. in (a) TIP grants (b) DREE grants (c) IRAP grants (d) PAIT grants (e) ESP grants (f) DIR grants (g) DIP grants (h) IRDIA grants for the fiscal years (i) 1965-66 to 1969-70 (ii) 1970-71 to 1974-75?

Hon. Mitchell Sharp (President of the Privy Council):

	Canadair Ltd.		De Havilland Aircraft	
	(i)	(ii)	(i)	(ii)
(a)	Nil	$ 39,702.89	Nil	$ 29,425.86
(b)	Nil	Nil	Nil	Nil
(c)	Nil	Nil	$ 82,240.00	Nil
(d)	$4,601,601.00(1)	$ 648,400.00(2)	$ 50,531.00(3)	Nil
(e)	Not applicable		Not applicable	
(f)	$ 668,252.00	$1,061,352.00(*)	$2,449,262.00	$1,719,583.00(*)
(g)	$26,184,173.00(4)	$20,505,753.00(5)	$7,295,097.00(6)	$52,954,955.00(7)
(h)	Section 13 of the Industrial Research and Development Incentives Act prohibits the divulgence of information concerning any corporation.			

(*) The allotment for 1974/75 which is not an actual expenditure to date has been included in the total.

[Mr. McKenzie.]

The above amounts are potentially recoverable to the following extent:

(1) $ 4,601,601
(2) $ 648,399
(3) $ 50,531
(4) $19,465,382
(5) $20,453,686
(6) $ 5,782,538
(7) $52,785,563

AIR CANADA—RETIREMENT OF SENIOR LEVEL EMPLOYEES

Question No. 1,536—**Mr. Broadbent:** (Supplementary)

How many Air Canada employees at the senior management level (a) took early retirement (b) were dismissed during each year 1970-1971 to 1973-1974?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: The number of 22 for 1973 was given in error. Following is a corrected reply.

	Early Retirements	
1970	5	
1971	7	
1972	5	
1973	6	
1974	2	
Total	25	Early Retirements
Dismissals	0	

HAINES—FAIRBANKS PIPELINE AGREEMENT

Question No. 1,806—**Mr. Huntington:**

Since 1945 and by year, how much money does the government receive as rental fees for the use of the oil pipeline running through the Yukon and British Columbia to Haines seaport from Fairbanks?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): None. It should also be noted that the Haines-Fairbanks Pipeline Agreement consists of an exchange of notes between the government of Canada and the government of the United States, dated June 30, 1953. It was mutually agreed at that time that the pipeline be built for common defence needs and that the USA would be granted without charge an easement for the pipeline for the duration of the agreement. The pipeline is no longer in operation.

METRIC CONVERSION

Question No. 1,863—**Mr. Jones:**

1. With reference to the implementation of the metric system, what consideration was given to housewives?

2. What discussions, if any, were held with housewives to assist them in cooking problems, particularly in view of the fact that all recipe books, to date, are not based on the metric system?

3. Does the government propose to have all recipes for good food rewritten under its auspices and, if so, will it underwrite the cost?

4. What is the total cost for implementation of the metric system for both the public and private sector?

5. What other nations in the North American continent are implementing the metric system?

6. What inconveniences will result to the average householder and housewife, landowner, the municipal government, manufacturers, consumers, etc.?

7. What input has there been by the citizens of Canada to implement the metric system?

8. What group, if any, requested the change to the metric system at this time when our economy is so strained?

9. Does any particular group stand to benefit financially by the implementation of the metric system and, if so, which one?

10. (a) Who is responsible for the educational system to convert to the metric system (b) what action has been taken in this regard and in what way (c) in what locations has such action been taken (d) at what cost?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Some of the ways in which housewives are represented in the committee structure of the Metric Commission are through the Consumers' Association of Canada, the Canadian Home Economics Association and the Canadian Dietetic Association. These association members of Sector Committee 9.5 participate in the investigation, planning, scheduling and implementation of metric conversion in their own specific and related sectors. They also assist in informing and educating the general public, and in particular, housewives.

2. As representatives of housewives and consumers, the Canadian Home Economics Association and the Consumers' Association of Canada have participated in the development of the metric standards for kitchen measures on which new recipes are now being based. They also contribute to the preparation of information and in the defining of guidelines for housewives as metric conversion is being implemented.

3. Canadian housewives have traditionally measured their cooking ingredients by volume, and Sector Committee 9.5 of the Metric Commission has recommended a metric standard of 250 ml to replace the 237 ml(8 U.S. fluid ounce) measuring cup used throughout Canada. This is an increase in the size of the measure of only 5 percent and in most cases will allow either old or new recipes to be used interchangeably. So long as housewives keep their present measuring equipment, they can continue to use existing recipes and it is anticipated dual reading equipment will be available in the future.

4. Since metric conversion, well under way in some sectors, will proceed over a number of years, in others, in ways to be determined by the needs and opportunities in different sectors of the economy, the cost of conversion is, by that fact, undeterminable at this time. Its magnitude will depend on the pace and the phasing of conversion adopted within and without the respective sectors.

5. In the United States, Congressional Committee hearings scheduled for April 29 and 30 and May 1, 6, 7 and 8, will deal with the passage of metric conversion legislation in the United States Congress. Industry, coordinated by the American National Metric Council, has for about two years been proceeding with metric conversion. Many multi-national corporations in the United States are converting. An amendment to the United States Education Act has been passed by Congress to promote the use of the metric system in educational agencies and institutions. Mexico has used the metric system since 1862.

6. Experience abroad, particularly in South Africa, New Zealand and Australia, indicates that a well planned, speedy metric conversion supported by timely amendments to legislation will create an environment conducive to a minimum on inconvenience to the general public and economic sectors.

7. In the White Paper on Metric Conversion in Canada of January 1970, representative national organizations put their views on metric matters before the Government and suggested courses of action ranging from initiation of studies to immediate adoption. Subsequently, all the national representative organizations were requested to respond to a survey prepared by the Metric Commission. These organizations participate directly in the planning, scheduling and implementation of metric conversion in Canada through the committee structure of the Metric Commission.

8. The White Paper on Metric Conversion of 1970, setting out the policy of the Government and the background for its decision, was placed before Parliament and received unanimous endorsement. The program of guideline dates for metric conversion has the unanimous support of all provinces and of all sectors of the Canadian economy represented on the Steering Committees of the Metric Commission. The adoption of a resolution, approving the program of guideline dates, was introduced by the Minister of Industry, Trade and Commerce, on March 17, 1975.

9. Canada wants to make the change in a manner that will produce the greatest net benefit to the Canadian economy.

10. (a) The governments of provinces are responsible for metric conversion in the educational system. (b) At a meeting on March 20, 1974, an agreed method of liaison was established between the Metric Commission and the Provincial Departments of Education through the Council of Ministers of Education. Associations related to elementary and secondary, post-secondary non-university, and university and college education are all represented on sector committees within the committee structure of the Metric Commission. The representative committee members of the respective groups and the provincial governments carry out investigation, planning and scheduling towards metric conversion in the educational system. The actual implementation phase is being carried out as described in (a) above. (c) Each provincial government has jurisdiction over its own education conversion plans, and the locations where action is being taken. (d) Not available.

TENDERING PROCESS

Question No. 1,995—**Mr. Reynolds:**

1. How many steps in the tendering process are designed for contracts under the $10,000 figure?

2. How many steps are necessary for amounts over this figure before a contract is proven successful or unsuccessful?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1 and 2. Regardless of value, the following steps apply: (a) Establish list of eligible sources of supply; (b) Bid solicitation (competition or single source); (c) Receipt

and opening of bids; (d) Bid evaluation; (e) Contractor selection.

FARM POPULATION

Question No. 2,110—**Mr. Mazankowski:**

1. What was the percentage of the population working on farms in or near the years 1945, 1955, 1965, 1970, 1971, 1972 and 1973?

2. What was the approximate number of farm families or family-owned farms for the same years?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. Agricultural labour force as a percentage of total population. Note: The data given is for Census year.

Year	Number in Agricultural Labour Force	Total Population (Estimated)	Per cent of Total Population in Agricultural Labour Force
1973	467,000	22,496,000	2.1
1972	481,000	22,095,000	2.2
1971	510,000	21,724,000	2.4
1970	511,000	21,569,000	2.4
1965	594,000	20,015,000	3.0
1955	819,000	16,081,000	5.1
1946	1,186,000	12,551,000	9.5

2. Farms have not been classified as to whether they are family-owned in the Census of Canada. However, in the 1971 Census of Agriculture 336,175 census farms of a total of 366,128 were classified as being operated privately by an individual. The number of rural farm families (families residing on a rural farm as defined and tabulated in the Census) was as follows:

Rural Farm Families

Year	Number
1973	not available
1972	not available
1971	305,155
1966	399,886
1961	428,808
1956	548,696
1951	601,622
1946	not available

UIC—DISENTITLEMENT OF INSURANCE

Question No. 2,112—**Mr. Lambert (Bellechasse):**

1. How many persons were refused unemployment insurance allocations (a) for lack of documentary evidence attesting that they tried to find work (b) because they had not tried to find work (c) because they had not made enough applications?

2. How many applications must a claimant make for a period of unemployment of (a) one month (b) three months (c) six months?

3. Does UIC provide applicants with weekly reports on the number and types of vacant positions in their area and, if not, for what reason?

[Mr. Goyer.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. During 1974, 93,133 claimants were denied some unemployment benefits with respect to periods during which they failed to prove that they had made reasonable and customary efforts to obtain employment. The Commission does not maintain statistics permitting identification of claimants subject to disentitlement for reasons listed as a, b or c.

2. The number of applications considered a reasonable and customary effort to obtain employment depends on the state of the labour market in the claimant's area. Therefore, the answers to a, b and c would vary depending on the extent to which opportunities of employment were available to the claimant. Generally speaking, the Commission expects claimants to widen their search for employment as their period of unemployment lengthens provided there are job opportunities.

3. UIC does not provide applicants with weekly reports on the number and type of vacant positions in the area since this type of service is the responsibility of the Canada Manpower Centres. However, the Commission does maintain general statistics on the labour market by occupation and advises claimants when suitable employment opportunities exist in the area in order that they may carry out a job search appropriate to their situation.

CBC SHOWING OF FILM "HOCKEY VS XOKKEN"

Question No. 2,150—**Mr. Herbert:**

1. Has CBC found it impossible to find or allocate prime time for the showing of the film of the 1974 Canada-Russia series "Hockey vs Xokken" and, if so, was the difficulty connected to the need for or the lack of a sponsor?

2. Is a sponsor essential for such a showing on prime time?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. A very high proportion of the prime time schedule of the CBC television network is devoted to NHL hockey play-offs and finals in the spring season. As for the summer schedule, the CBC believes such a production would have a larger audience in the autumn months. The price being asked at present for the film is such that a sponsor would be necessary to meet that price.

2. If a sponsor was not available the CBC would still be interested in purchasing the film but the price would have to be lower. The Corporation is, however, very hopeful that negotiations can be concluded successfully.

UIC—BENEFITS PAID IN QUEBEC CONSTITUENCIES

Question No. 2,159—**Mr. Gauthier (Roberval):**

In 1974, what amounts were paid in benefits by each UIC district and regional office in the Province of Quebec?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

Alma	$ 20.7 Million
Baie Comeau	20.5 "
Chandler	22.1 "
Chicoutimi	21.6 "
Drummondville	15.3 "

Hull	24.4	"
Laval	15.3	"
Lévis	39.5	"
Longueuil	55.2	"
Montreal Centre North	25.4	"
Montreal Centre South	25.3	"
Montreal East	37.5	"
Montreal North	39.4	"
Montreal Northeast	25.1	"
Montreal West	36.5	"
Quebec East	36.9	"
Quebec West	27.5	"
Rimouski	28.4	"
Rivière-du-Loup	15.0	"
Rouyn	21.1	"
St. Jérôme	44.6	"
Sherbrooke	34.6	"
Trois-Rivières	40.0	"
Total Région	$671.9	"

The above figures represent the net total of benefits after the deduction of income tax.

CBC "PERFORMANCE" PROGRAMMES

Question No. 2,223—**Mr. Korchinski:**

With reference to the CBC series "Performance" (a) which programmes are mentioned as most objectionable (b) what are the reasons for the objections?

Hon. James Hugh Faulkner (Secretary of State): (a) Of the plays in the Performance drama series which had been shown as of the date of the question, the ones receiving the most unfavourable mail and telephone response were "Baptizing" by Alice Munro and "Ten Lost Years" by Barry Broadfoot. (b) The reasons given for objecting to these plays included the following: sexual references, profanity, not entertaining, unsuitable for family viewing, not up-lifting, treatment of social conditions and issues too realistic, inaccurate depiction of history, unfair to religious group.

LETTERS PROTESTING CBC "PERFORMANCE" PROGRAMMES

Question No. 2,224—**Mr. Korchinski:**

1. How many letters has CBC received protesting presentation of the series "Performance" as indecent?

2. Does CBC acknowledge receipt of such letters and, if so, is each letter dealt with on an individual basis or is an acknowledgement provided by way of a form letter?

3. Are letters of protest addressed to the President of CBC dealt with in a different manner than those addressed to the Corporation and, if so, in what way?

4. (a) Do responses to letters receive the personal attention of the President (b) are they turned over to another authority within CBC and, if so, what is the name and position of the individual?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Not all CBC locations maintain mail records in a way which would enable a comprehensive count to be made. However, there have been about 1,040 unfavourable letters regarding Performance in those locations where the count is available. This figure includes comments about all aspects of the plays, since it is impossible to sort out those which complained that the plays were indecent. See the answer to part (b) of question 2,223 for reasons given for complaint.

2. The CBC receives a great deal of mail at its various locations and endeavours to answer each letter individually. On occasion there are more letters about a specific program or subject than can be handled within a reasonable length of time by staff already engaged in handling the regular mail load. At these times a form letter giving the CBC's position on the most often repeated points can be sent with the minimum delay.

3. Letters addressed to the President of the CBC are received in his office and, if they do not require the President's personal attention, are sent to the appropriate department for reply.

4. (a) In some cases. (b) Yes. Letters addressed to the President are sent to the department in the best position to provide the requested information or deal with the points raised.

CODE OF CONDUCT FOR LINER CONFERENCES

Question No. 2,244—**Mr. Forrestall:**

Is it the intention of the government to establish an interdepartmental group to examine the impact upon Canadian shipbuilding, ship repair and merchant seamen and officers, of the possible ratification by Canada and sufficient others of the world community, of the proposed Code of Conduct for liner conferences flowing from the UNCTAD meetings in 1974 and (a) if not, for what reason (b) if so, on what date?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): This question was raised on December 11, 1974 as No. 1,130, Order of the Day No. 51. The answer subsequently provided by the Ministry of Transport still holds true. In addition it should be noted that on January 30 Cabinet decided that a full scale review be undertaken of the Canadian international shipping policy. A Shipping Advisory Board has been established under the chairmanship of the Ministry of Transport and the implications of the Code of Conduct for Liner Conferences will be examined within this context. Pending greater clarity as to the likely effect of the Convention, and the likelihood of its implementation and acceptance by Canada's major trading partners, interdepartmental working groups have not been assigned to the specific subject areas in question.

UIC—ASSISTANCE IN FILLING OUT APPLICATION FORMS—BELLECHASSE CONSTITUENCY

Question No. 2,275—**Mr. Lambert (Bellechasse):**

1. In the Constituency of Bellechasse, as redefined in 1968, do any employees of Unemployment Insurance Commission help beneficiaries to fill out their application for benefits and, if so, how many?

2. What are their names, addresses and annual salaries?

3. On what dates did they commence employment?

4. In what municipalities are they employed?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See question No. 1,595, tabled April 10, 1975.

Order Paper Questions

*INTERCESSION BY GOVERNMENT ON BEHALF OF SENATOR BENIGNO AQUINO, JR.

Question No. 2,284—**Mr. Fairweather:**

Will the government intercede with the Ambassador of the Philippines on behalf of the welfare of Senator Benigno Aquino, Jr., who faces trial by military tribunal which violates universal declaration of human rights?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The trial of Senator Benigno Aquino, Jr., is a matter falling within the domestic jurisdiction of the government of the Philippines and as such the government of the Philippines has no obligation under international law to accept representations from a foreign government on this or any other domestic matter. The proceedings of the Military Tribunal on the Aquino case were suspended April 8, 1975, following the issuance of a restraining order by the Supreme Court of the Philippines pending a ruling by the Court on the question of whether the Military Tribunal had the right to try Senator Aquino on the charges laid against him. The Supreme Court has not yet ruled on the case.

OPENING OF SWIMMING POOL AT PRIME MINISTER'S RESIDENCE

Question No. 2,294—**Mr. Cossitt:**

Have or will arrangements be made by CBC to provide coverage in colour and in both official languages of the official opening of the $200,000 swimming pool being constructed at the Prime Minister's official residence on Sussex Drive (a) how many personnel will be assigned to cover this event (b) what are their names and job designations?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) and (b) Since there has been no indication that there will be an official opening of the swimming pool, the question is hypothetical.

CENTRE CULTUREL ET LINGUISTIQUE FARÈS LTÉE TEACHING STAFF

Question No. 2,348—**Mr. Gauthier (Ottawa-Vanier):**

With reference to the dismissal of the Centre culturel et linguistique Farès Ltée teaching staff and the inquiry requested by Treasury Board language training authorities (a) who presided over the inquiry (b) what were his terms of reference (c) on what date will the report be submitted (d) will it be tabled and, if so, on what date?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: (a) and (b) See document following. (c) Not later than May 15, 1975. (d) The report and recommendations will be submitted to the Public Service Commission and it will then be up to the Public Service Commission to take whatever action it sees fit.

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

March 25, 1975

To Whom It May Concern

Pursuant to the powers and duties conferred on the Public Service Commission under the Public Service Employment Act, the Commission authorizes Jack Vinokur, former Director, Appeals Branch, Public Service Commission, and now retired from the Public Service, to hold an investigation under Section 7(2) of the said Act, with all the powers of a commissioner appointed under Part II of the Inquiries Act, into the operation of staff training programs in the Public Service in so far as language training is concerned, and more particularly into circumstances pertaining to the following matters, and to make such a report and recommendations to the Commission as deemed appropriate, namely:

1. The procedures followed by the Staff Development Branch, Public Service Commission relating to the award of contracts for language training services to private institutions.

2. The award and administration of contracts for the provision of language training services to the following organizations:

(1) Centre culturel et linguistique Farès Inc.

(2) Institut de Langue Feuille d'Érable Inc.

(3) Collège Algonquin, and the

(4) Berlitz School of Languages.

3. The performance and manner of execution of the duties of those employees of the Staff Development Branch of the Public Service Commission who were and are responsible directly or indirectly for the awarding and administration of language training contracts.

John J. Carson,
Chairman.
Irene E. Johnson,
Commissioner.

CBC—ACCELERATED COVERAGE PROGRAMME

Question No. 2,359—**Mr. Brisco:**

For each province and community, by year and by month, under the Accelerated Coverage Programme of CBC, what is the installation schedule for each (a) English-language radio transmitter (b) French-language radio transmitter (c) English-language television transmitter (d) French-language television transmitter?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The CBC Accelerated Coverage Plan is a large, complex and highly integrated five-year undertaking involving 300 locations and 600 engineering projects. Names of the locations and the nature of the service to be provided are made public, step by step, as applications for licences are made to the Canadian Radio-Television Commission.

● (1510)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so

kind as to call notice of motion for the production of papers No. 39?

Mr. Speaker: Stand. Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TWO-PRICE WHEAT ACT

MEASURE TO PROVIDE FOR PAYMENTS FOR WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

The House resumed, from Tuesday, May 6, consideration of Bill C-19, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, as reported (with amendments) from the Standing Committee on Agriculture; and motion No. 1 (Mr. Horner).

Mr. J. H. Horner (Crowfoot): Mr. Speaker, to continue the debate on the amendment, I think first of all I should make the House fully aware that Bill C-19 is a bill to allow Canadian millers to buy wheat at $3.25 a bushel while the government subsidizes the consumer to the tune of $1.75, making the total price received $5. When wheat sells at above $5 a bushel—as the Canadian Wheat Board is pricing wheat now, or at other times above $5 or $6—the farmer, in essence, subsidizes the consumer. My amendment suggests that it might be all right today, but the bill really establishes an agreement that would be in effect for a period of seven years from 1974 to 1980.

My amendment suggests that while it may be all right today, with the cost of production accelerating at the rate it is, we should not lock the farmers into this agreement any longer than 1977, because with inflation and the cost of production rising the farmers may find themselves subsidizing the Canadian consumers more than they can afford. I stated that the Federation of Agriculture certainly agreed that there should be some indexing built into the guaranteed price. They say that if this bill were effective in 1974, and if one took the average increase in the cost of production of 14 per cent last year according to Statistics Canada, the base price should not be $3.25 but $3.67. The Palliser Wheat Growers' Association appeared before the committee. At page 5 of committee report No. 10, Mr. Nelson had this to say:

> We discussed it at a directors' meeting two weeks ago and I will tell you what the representative of the wheat growers came up with, a $4.25 floor. We will take a $5 ceiling knowing that we are taking 80 cents, 90 cents to $1 less than the world price—

So, the farmers are fully aware how much they are asked to subsidize the consumers in this issue. The point is that all the farmers are not particularly satisfied with the concept of no indexing in this bill. Mr. Nelson goes on to say at the same page, in reply to a question put to him by the hon. member for Moose Jaw (Mr. Neil):

> That is right. You cannot really rationalize what is going on and what has taken place in the past 12 or 18 months. It would not be inconceivable that we could go to $10 a bushel before spring or in the next two or three years.

They can hardly determine what the price of wheat will be, but every farm group that appeared before the committee wanted the indexing. Mr. Atkinson, of the National Farmers' Union, had this to say:

> I think it is rather dangerous to establish policy for seven years on any matter, given current economic conditions. I think it would be most unsatisfactory and it would be more desirable to approach it, at first, from a more enlightened point of view. The seven-year period could be handled if they had an adequate indexing system.

In committee we attempted to index the price of wheat, but that was ruled out of order. We all know that members of the opposition cannot increase government expenditures, so we could not move an amendment to that effect. The best amendments I could come up were the two I filed. We cannot index unless we bind the farmers to a very limited period. In my amendment, the period would be three years which is longer than the period in any agreement signed by workers; at the very most, their agreements run for two years and sometimes 30 months, but rarely for three years.

In what I believe is a reasonable amendment I am suggesting a three-year period from 1974 to 1977, rather than a seven-year period. To give the committee some idea of the situation, I should mention that a similar piece of legislation is now before the Senate of the United States. In the farm prices bill in the United States the Senate has set a floor price for wheat of $3.41. Therefore, it is not out of line to suggest that if we cannot have indexing we should certainly shorten the period concerned, for the benefit of the farmers in this period of rising costs of production.

I think it only fair to point out that the interesting thing about the price of wheat to the miller is that it has not controlled the rise in the price of bread to the consumer. It has not accomplished what was intended. I believe a very comparable study would indicate that in recent years the price of wheat in the United States dropped 30 cents, but the price of bread in the United States increased 15 cents. While we have had a drop in the price of wheat to the Canadian miller, the price of bread has continued to go up in two or three stages. I am not asking for any great changes in the legislation.

If the government's guarantee is any good, if the price of $3.25 is a guarantee to the millers and there is a guaranteed subsidy of $1.75, why should we sign up the farmer for a period of seven years? There could be reinstatement for another three years after 1977 if the costs of production should not go up. There is no need to lock the farmers in for such a long period. In fact, if I were looking at it from a strictly political point of view, I would think the minister in charge of the Canadian Wheat Board (Mr. Lang) is making a grave political error in attempting to treat the farmers so callously by locking them into a period which is longer than the period involved in any collective bargaining agreement today, or even in attempting to negotiate this agreement for a period of anything approaching seven years.

Once again the minister is treating the farmers with a callous disrespect for their intelligence and well-being. In

this amendment I am offering a logical "out" for the minister. If he accepted the amendment he might gain some respect from the farming community. Personally, I would like to think that he would accept this amendment. I do not think that everyone in the House of Commons should be so political that good ideas which originate on this side cannot be accepted by the other side. I believe that the minister should accept suggestions which are put forward from this side from time to time.

● (1520)

Sometimes government members suggest that we criticize but never offer suggestions or solutions. From time to time the Prime Minister (Mr. Trudeau) asks a member of the opposition, "What is your solution? What would you do?" Now I am putting forward what I would do. I would limit the time period during which this act will be in effect from 1974 until 1977. I think it would be a major improvement because this legislation does not take into consideration the cost of production. If it did, I suppose it could be, in effect, in perpetuity; but since it does not take the cost of production into account, the life of the legislation should be limited so that we could reappraise the situation in 1977, at which time we could adjust the floor price.

Members of the committee have suggested from time to time that the minister would automatically adjust the floor price when he found it justifiable to do so. But there was no doubt about the minister's view on this subject; he left no doubt that the ceiling will not be adjusted and that it will remain set.

With regard to the over-all wheat situation, hon. members might have noticed a story in yesterday's newspapers which stated that the prospects for a bumper crop of winter wheat in the United States are good, but that stocks on hand in the five major exporting countries are 300 million tons less than last year. So it appears that prices will remain relatively high. Of course, when one starts to price wheat internationally, one finds that much depends on the U.S.S.R. and China and that it is very difficult to gauge exactly what prices will be before one knows the intentions of those two countries. In any case, it appears that prices will remain high this year and possibly next year, and if that is so farmers will continue to subsidize the Canadian consumer.

With regard to prices remaining high, I should like to quote Mr. Vogel, chairman of the Canadian Wheat Board who was before the Standing Committee on Agriculture on November 14. As recorded at page 15 of committee proceedings No. 7, Mr. Vogel said:

> It would then take probably one year at least to replenish supplies to a point where most people in the world would feel comfortable, which tends to say that prices would remain relatively firm even next year, even though perhaps not as high as they are now. That would take us until at least 1976, maybe even 1977. To the 1980s, though, you would be really crystal-balling.

I say that the amendment which would limit the life of the bill until 1977, at which time we would be better able to gauge whether we want to tie farmers down to this floor price and to the ceiling of $5 a bushel on wheat consumed in Canada, should be adopted. The Wheat Board price, it seems to me, is still $5 a bushel although the international price is below that. To be exact, the asking price for Canadian wheat is still $5.16.

Mr. Lang: You are out of date.

Mr. Horner: That is interesting, because the Wheat Board had an offer recently of less than $5 and they might have taken it. Certainly the price of wheat has come down on the international market to about $2 a bushel. But never mind what the price of wheat will be; we all know that costs are going up considerably so long as this government has no control over inflation. That is where the problem lies. We believe that rather than accept a fixed floor price of $3.25, we should be able to pass on additional costs to the Canadian bakers and consumers. Everyone else is passing on their costs, so why should not the agricultural industry do the same?

I really believe that the price of wheat does not greatly affect the price of a loaf of bread; it is only about a 3 per cent factor in the price of a loaf of bread. Most of the cost is in other ingredients and in the labour that goes into baking the bread. It is demonstrated in an American study that the price of wheat on the U.S. market has dropped 30 per cent from a year ago, but the price of a loaf of bread is up 15 per cent. We have had a similar increase in Canada. I believe that limiting the price of wheat until 1980 would not really keep down the price of bread to the Canadian consumer; bread prices will continue to rise. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) can make all the noise he wants, but sometimes an inflationary economy justifies an increase in the price of bread.

So I urge the Minister in charge of the Canadian Wheat Board not to be so political in his actions, to look at some of the ideas put forward by members on this side of the House, and to accept what I am certain most members of the opposition parties agree is a very good suggestion which will improve the bill before us in the interests of farmers caught in a price squeeze.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, it is with a great deal of pleasure that I second the motion now before us, because if you look at the two motions under consideration you will see that the amendments moved to this bill by the hon. member for Crowfoot (Mr. Horner) cover the basic objections of this party to the legislation.

Quite frankly, I am somewhat disturbed by the attitude of the minister in charge of the Canadian Wheat Board (Mr. Lang), of stubbornly refusing to incorporate an indexing system to reflect the increase in the cost of production, a system which has been applied in many other programs of the government, such as agricultural programs, pension programs and others. Pension programs, of course, take into consideration the increase in the cost of living. I want to make it abundantly clear that we as a party have always supported the principle of a two-price system for wheat, but in saying that I emphasize that it must be a two-price system that is adequate and will accurately reflect the increase in the cost of production. The Minister of Agriculture (Mr. Whelan) has always argued this rather forcefully and we agree with that position. The Minister of Finance (Mr. Turner) indicated in a recent communiqué that the prices which farmers are getting now are somewhat below the cost of production.

This fact should be recognized. But what have we here? We have nothing more than a bill which amounts to a seven-year freeze. We oppose that concept.

● (1530)

I sincerely think that the minister should recognize the fact that if he were to incorporate an indexing provision, or if he were, so to speak, to shorten the contract which would provide an opportunity for reviewing the pricing structure, this bill would be accepted not only by parliament but by the producers of Canada. I am sure that was the major objective in drafting the bill. As the hon. member for Crowfoot pointed out, surely no union involved in the collective bargaining process would accept a proposition such as this. The incomes of most people are based upon anticipated or projected costs of living. Most manufacturing firms base the cost of their products on anticipated cost of production. But here we have a situation where the cost of production factor is not taken into consideration and no adjustment is allowed for: there is a seven-year fixed price.

We had similar objections to the grain stabilization bill, which we have just concluded. But it, in effect, averages farmers' incomes on the previous five years, so surely it is time we became a little more forward-looking in our approach to agriculture, particularly in the grains industry. It is time we dealt with it in such a way that we can effectively and realistically consider those elements which go toward the production of that commodity.

The minister's position on this bill is inconsistent with stated government policy. As the hon. member for Crowfoot pointed out, in the absence of an over-all anti-inflationary policy or pricing and incomes policy, the government has embarked upon a program of indexing to protect the purchasing power of Canadians in reflecting the cost of living and, indeed, in areas of production in agriculture to reflect the increases in the cost of production. It has been stated that many elements of inflation are beyond the control of this government. I believe that a great deal of the inflationary pressures are domestically created and that effective measures could be introduced. Failing that, the government has undertaken to ameliorate or to try to cushion the effects of inflation, so we have the program of indexing.

It is rather amusing to note that that is the nature of the stabilization bill the Minister of Agriculture recently introduced: it took into consideration the cost of production. In other words, guaranteed floor prices would be adjusted to reflect changes in production costs. That is an agricultural bill and it was proposed by this government. The beef stabilization plan is another program in which provision is made to index production costs. A whole host of similar measures have been brought forward by this government. They take into consideration provisions for increases in the cost of production, and it seems to me it is rather unrealistic on the part of this minister to deviate from that stated government policy. It is difficult for me to understand, and it seems that by acceptance of either one of these amendments, if the minister refuses to incorporate an indexing system, parliament or the government will have an opportunity to review this seven-year contract and adjust it as may be necessary.

Wheat Payments

We all know that input costs are generally increasing. The Edmonton *Journal* of January 20, 1975, reporting on the agricultural outlook conference, said the following:

> The Canadian farmer is being warned to brace himself for a year of reduced profits from the fruits of his labour.
>
> Federal agriculture officials predict another large increase in farm operating expenses will wipe out a slight rise in revenues in 1975 . . .
>
> Last year, gross farm income climbed nearly 26 per cent to $9.2 billion, according to preliminary Statistics Canada figures. But a $1 billion jump in operating costs meant net farm income increased only $50 million, to $3.39 billion.

It seems absolutely ludicrous for this government to disregard this important element in a so-called effective two-price wheat system. We are talking about the increase in production costs over a period of seven years. I have before me a table which outlines the increase in production costs, a five-year record of list prices and 1975 projections in respect of key inputs, dated May 1, in central Saskatchewan. These are largely inputs which go toward the production of grain. It is an article printed in the Free Press Weekly Report on Farming of November 16, 1974, and it cites the tremendous increase in basic commodity inputs which have been registered over a five-year period. For example, 11-48-0 fertilizer, 50-pound bags, per ton in 1970 cost $103; in 1975, the projected price is $200. The price of 128-ounce 2-4-D Ester, per five-gallon pail, in 1970 was $24.95; in 1975, $70. Carbyne, in 1970, cost $59.90; in 1975, $75. I could go on with grain bins, baler twine, diesel tractors, combines and diesel fuel: all these items have increased tremendously over a five-year period.

We need only consider the tragic change which occurred in the last year. For example, the farm input index from 1972 to 1973 rose 19 per cent, and the 1974 index rose by 15 per cent. Surely, with that type of historical pattern, it is only natural, if this government believes in stabilization and in producing a reasonable income for prairie wheat farmers, particularly when we consider the domestic price, that some means should be found to compensate and adjust for realistic input costs. Failing that, the bill does not really get to the principle and the heart of the subject.

It seems that there are many arguments for acceptance of these two amendments. I am sure the hon. member for Crowfoot would have no objection to acceptance of either one, because I think the principle embodied in both of them meets our major objection to this legislation. Quite frankly, I do not think this bill is worth the paper it is written on unless one of the amendments is accepted. I see no reason why the government should not accept one or the other, because the bill as it stands is a complete contradiction of and total deviation from stated government policy.

All I can say is that if the government and the minister in charge of the Wheat Board, who is the person who has to pilot this bill through the House, fail to recognize this inherent deficiency, that will reflect the intransigent attitude of the minister. We have a Minister of Agriculture who accepts indexing, and we have a minister in charge of the Canadian Wheat Board who does not accept indexing. Mr. Speaker, I say there is a glaring deviation and a glaring inconsistency in the views of the cabinet and the government. All the farm organizations support the two-price system. The 1975 policy statement of the western agricultural conference recommended at page 5:

● (1540)

An adequate two-price system for all grains used for domestic human and industrial consumption, including grain used for distilling, brewing and malting, miscellaneous chemicals, explosives, etc.

That the Government of Canada amend the current price arrangement with the Canadian Wheat Board respecting wheat for domestic human consumption, which would provide for an annual review of the guaranteed floor price, so that the floor would reflect changes in the index of farm input costs.

That sums up the situation quite well, Mr. Speaker. A press release issued before the minister in charge of the Wheat Board headed west to talk about transportation boasted about the importance of communicating with the farm community and quoted the minister as follows:

During my 5½ years as minister responsible for the federal government's programs and policies affecting the western grain industry, I have found these encounters with producers to be both informative and productive. I am looking forward to this next week in the same light.

Surely, if that dialogue is to be meaningful, the minister should pay attention to the wishes of the body of agriculture represented by the major farm organizations such as the Canadian Federation of Agriculture and the National Farmers' Union. In this regard, the minister should immediately consider one or both of the amendments. It is interesting to notice that there is a degree of consultation taking place at the moment on the government benches, Mr. Speaker. Maybe the hon. member for Battleford-Kindersley (Mr. McIsaac) and the hon. member for Assiniboia (Mr. Goodale) can pool their wisdom for the minister and help him see the light.

I hope the minister will stand in his place and at least recognize the deficiency in this bill which has been echoed by members in this House and in committee. If he has the interest of the grain producers at heart, surely he will see fit to accept the amendments proposed by the hon. member for Crowfoot.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this issue, as well as the one arising under the subsequent amendment, was thoroughly discussed in committee. It seems to show that hon. members opposite are in some doubt about where they stand on such things as guarantees and long-term agreements for the sale of grain. I would remind hon. members that, as I made clear in committee, the question of how long the agreement or price relationship between the Canadian Wheat Board and the domestic market should be was put to the Wheat Board before it was adopted in the present form by the government.

As the body which can ordinarily enter into long-term and short-term contracts for farmers, the Canadian Wheat Board was asked if, with a price range lower than the one before us now, they would prefer an agreement for five, or seven, years. They opted for the seven-year period because of what they saw as a protection in the floor price of $3.25. The Canadian Wheat Board confirmed this at the time of its appearance before the chief commissioner. It is essentially the business of the Canadian Wheat Board to enter into contracts like this.

The principle of long-term contracts and international wheat agreements is one which is ordinarily applauded by hon. members opposite. Certainly, it is consistently applauded by members of the New Democratic Party and in the rather more traditional way it is applauded and not applauded by the more inconsistent members of the Conservative Party who always seem to be on all sides of any issue.

[Mr. Mazankowski.]

The other day the agriculture critic of the Conservative Party, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) came down emphatically in favour of long-term agreements, international agreements, firm agreements. Obviously, in those circumstances we have to make some judgment about price. There has to be a price range with that kind of agreement that will balance the forces at work. We cannot expect a price range where the minimum is somewhere near the maximum of history. What we have here is a very good arrangement. This is the first time that the price of wheat in Canada has moved above $3 except for the very special circumstances of one wartime occasion. For the first time in history, the price has moved rapidly above $3 and we have a seven-year agreement with the price in the range of $3.25 to $5 in terms of the return to the producer. Surely that is to the advantage of producers. The Canadian Wheat Board saw that advantage.

The Saskatchewan Wheat Pool over the years has consistently favoured international agreements and recognizes their value. That is why, in a statement of policy which followed their last meeting, they indicated support for international wheat arrangements with firm prices. On page 8 of the statement they indicated that they liked having the principle applied here and that they liked the idea of an annual review. In fact, an annual review was included in this legislation in the course of committee hearings.

Hon. members opposite like to take the view that ministers, perhaps myself in particular, are inflexible. I may be inflexible when dealing with certain of the very political pressures and doctrines of the parties opposite when they are as inconsistent as members of the official opposition, but my record shows flexibility in response to reasoned arguments, particularly those from farmers and farm organizations.

In this particular case I could have said that an agreement for seven years of $3.25 to $5 looked very good in September, 1973, and that price should be binding over the whole seven-year period. I could reasonably have taken that position. If the Wheat Board had entered into a similar agreement with the principal buyers in other countries, it is likely that nothing more than that would be said about the prices within the agreement. Both would want to be bound by the floor and the ceiling and not move away from them.

But I recognize the concern of farmers that suddenly certain prices in this country have begun to rise more rapidly than was contemplated at the time of the 1973 decision to go to a $3.25 and $5 range, even though the $3.25 figure was 25 cents higher than had previously been both the maximum and minimum and was in itself a record price, and the $5 was something that until a few months before had never been dreamed of by anyone outside of the Canadian Wheat Board and those who shared their knowledge of international circumstances.

The hon. member for Assiniboia (Mr. Goodale) put the proposition to the committee that an annual review might be desirable because of what has happened in terms of prices, and that we should be looking at the annual cost of production and the returns in total coming to farmers. That change is now found as clause 5(3) in the bill as it emerged from committee. That is the answer to both the first amendment and the second amendment of the hon. member for Crowfoot (Mr. Horner), Mr. Speaker.

I should add that in the course of the committee deliberations one hon. member saw fit to make sure that the amendment proposed by the hon. member for Assiniboia was distributed to farm organizations. The response from them was extremely good and generally approved of the amendment. The resolution from the Saskatchewan Wheat Pool used the same words almost exactly. They said that the agreement between the government and the Canadian Wheat Board should be amended to provide for an annual review of the guaranteed floor price and subsidy limits so that the floor and ceiling would level changes in producer costs. In other words, the Saskatchewan Wheat Pool endorsed the amendment proposed in committee in answer to representations from farm organizations and the reasonable arguments that the hon. member for Assiniboia put before the committee at that time.

● (1550)

May I say one further word about price. Hon. members opposite blow hot and cold on the question of price. After saying that prices will never be as high as this again, they quickly say that we are facing disaster, that prices will go through every floor known and we shall be in deep trouble. Once again they take both sides of an issue. The fact is that prices have generally been within the range of the agreement. The end returns for the Canadian Wheat Board pool for the year ending in 1974, which really means the selling period to October, 1974, were well under $5. This represents the final value of wheat sold through the Canadian Wheat Board.

During that period, although prices reached some of their highest peaks, the returns when they were in represented less than $5; therefore the farmer was getting from the treasury full benefit bearing in mind the international price. The price since has weakened. I hope prices will go higher again. The fact is that this agreement was struck at a time when it looked to the Wheat Board, the best protector of the farmer, as reasonable in price terms in relation to the international market. They saw the value of a seven-year agreement as opposed to one of three years or five years when the choice was open to them. It seems to me that that ought, for all hon. members, including Her Majesty's Loyal Opposition, to conclude the matter in favour of the bill as it now stands.

Surely we want to keep this guarantee for the seven-year period. I hope, therefore, all hon. members will join in opposing the amendment. It may be that the hon. member for Crowfoot (Mr. Horner) on reflection will want to withdraw it, and I am sure members of the House would accommodate him in that regard.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to participate in this debate and support the amendment proposed by the hon. member for Crowfoot (Mr. Horner). Disaster occasionally strikes western Canadians. The greatest disaster that has struck them is the Minister of Justice (Mr. Lang). In no way has the minister been flexible or shown that he intends to listen to reason or appreciates the difficulties of western farmers. Not long ago we saw the upper hierarchy of the Liberal Party called to Calgary to attend the western economic opportunities conference. People were wondering what had come over the Liberal Party. The Liberals wondered why western Canadians were complaining. Well, we were complaining about the situation which has existed for some time. The minister's present position is one more ground for complaint.

The minister tried to suggest, a few minutes ago, that we are not in favour of long-term agreements. We are. But can the minister point to any other agreement which is to stand for seven years? Why are other agreements for a shorter period? Why does he want to pin farmers down to a price which is to stand for seven years? The government is in favour of long-term agreements. However, we do not know where we stand; there is no floor and no ceiling price and we do not know what we can look forward to.

The minister takes the position that the western farmer is to be held down to a certain price for seven years. How can the minister justify his position? Who can say if $5 will be sufficient two years from now, let alone seven? We are only asking for this matter to be reconsidered two years from now. The provisions of the bill can again be implemented then. There is no suggestion they would change. We are merely asking for the opportunity to review the situation in two years. Let parliament approve this measure again at that time. After all, the composition of the House of Commons in 1977, barring any unforeseen elections which the Prime Minister (Mr. Trudeau) may call, will be the same as at present. This parliament will still be in existence and hon. members opposite will still have the power to push through any legislation they want. We are merely asking the government for the sort of consideration we wanted when we debated the grain stabilization bill.

Western Canadians do not trust this minister. For years we asked for a two-price system; we were not given consideration except during the period when the Conservatives were in office, led by the right hon. member for Prince Albert (Mr. Diefenbaker). That is when we were given acreage payments in lieu of a two-price system. In those days the dollar was worth a dollar. In those days a budget of less than $6 billion was enough for all federal expenditures, including health, defence, and so on. Today the government spends more than $30 billion—and it has come along with a niggardly 25 cents for farmers. Where is the breakthrough?

The cost of machinery in the last year rose by 38 per cent, yet the minister wants to tie every farmer down to a price for seven years, until 1980. I know farm organizations have made representations, I know there has been agitation for a two-price system, and I know that someone could push the argument to the point where the minister will simply refuse to move. Nevertheless, a lot of people are in favour of that principle.

No responsible farm leader will say honestly that he wants prices held at $5 until 1980. How then, can this

minister make that suggestion? Further, how can he suggest that reconsideration of this measure in two or three years will in any way jeopardize or change the measure? We bring the Canadian Wheat Board Act before the House from time to time; there is nothing permanent about it. Why cannot we do the same with this bill? After all, it breaks no new ground: why should we be stuck with seven years? It will be seven years bad luck so far as some people are concerned. They know inflation is not being dealt with and they know that costs are rising sharply.

An agricultural conference several months ago pointed out that farmers' incomes would drop by 15 per cent. We know they will drop, but we know prices are going up. Fertilizer costs have already tripled, and machinery costs have gone up by 38 per cent. Inflation has hit the farmer from every angle. Why, then, should we pin ourselves down for seven years? I cannot see what the minister is afraid of. Is he afraid the consumer will be unreasonable? The consumer is going to be reasonable. This minister and this government do not seem to understand that the farmer is the biggest consumer in Canada. These farmers specialize. They do not have their farms cluttered with every product they require; they produce one product and get everything else they require at the market. They no longer tan their hides. As a matter of fact, they buy their milk, butter and eggs. They are consumers. It is not as though the farmers were arguing against the consumers; they are consumers.

● (1600)

The minute there is buoyancy in the economy as far as the farmer is concerned, everyone benefits. Manufacturers benefit. When the farmers think there is a possibility of getting a payment, they spend that money in advance. They know what has happened with the price of machinery, for example. Long before they even receive the money, they make arrangements at the bank to borrow the maximum amount they can. Because of the great demand for borrowing, parliament recognized that fact and increased the amount it is possible to borrow. Everyone knows prices have gone up because we increased the amount that farmers can borrow.

We are simply asking the government not to tie the hands of the farmers for seven years. We plead with the minister to be reasonable and not to be so entrenched in his ways. Because the idea comes from a member of the official opposition, it is immediately discarded. Surely it must mean something to the minister that Liberals have been defeated time and again in western Canada. The reason is obvious. The minister has his eyes and ears closed with regard to western farmers. For all his forays into western Canada, the Prime Minister will not help the situation unless the minister shows a willingness to recognize the plight of these people.

As was pointed out by the hon. member for Crowfoot, we in this party cannot introduce a motion to ask for more money: that is not the right of members of the opposition. The minister has that right; however, he ties it down to a fixed price. Instead of waiting until 1982, we simply ask the minister to reconsider this question a few years from now. There is nothing on the horizon to indicate that costs will go down. There is a possibility that the price of grain will go down. If the minister does not want to recognize the principle of indexing, perhaps we could come to him at that time and ask him to reconsider his position. As a matter of fact, it might work out very handily; by that time we might be ready for another election. The minister could bring forward an amendment and increase the price even if only on a one-year basis. He could tell the farmers of western Canada that he was increasing the price even though it may not be below the $5. He could say he was increasing the price because of the increased cost of production, inflationary trends and so on.

The amount involved would not be terribly great. It would involve the consumption of 50 million or 60 million bushels of wheat. Even if he increased the price at that time by $1, considering the way this government blows money left, right and centre, $50 million or $60 million in another two or three years would not break the back of this government. After all, they have been very wasteful. Maybe by that time we could cut down some of the expenses of the Prime Minister's office.

One would think we were asking for the moon. However, we are only asking for the same principle that applies to every labour organization and pensioner. We do not want to be tied down to a seven-year period. We want an even break. What we are asking for is not unreasonable. We want what every other segment of the economy is getting. If we do not get a better price, we want consideration within a few years. We do not want the minister to shelve this problem for seven years, which is exactly what he wants to do.

Because they want the principle of a two-price system, the members of the New Democratic Party voted against this suggestion in committee. However, on reflection I am sure they will realize that what we are asking for is very reasonable. I think they, too, would like to have this question reconsidered. I feel they will even support us at this time because they have found out the farmers want to be like other Canadians. Despite the comments the minister has made, if he would reverse his position and be on the side of the farmer, it would not be anything to be ashamed of, but it would be a credit to him.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I must say that on the motion I am of two minds. As I said on second reading, our party fully supports a two-price system in Canada: one price for grain used domestically for human consumption, with support from the federal treasury to, in effect, subsidize the consumer, and the farmer getting a reasonable price for his grain. Since the government has finally come around to agreeing to the principle of a two-price system for wheat, I repeat the question: Why just wheat? In all the years we have made this proposal, we have said grain. If it is logical for wheat, it is logical that it should be applied to all grains for whatever period of time is provided in the legislation. Oats, barley, rye, flax and rapeseed sold in Canada for human consumption should also be eligible for a two-price system.

It is a habit of this government and the Liberal Party in general that whenever they finally come around to a good principle, they only go part way or, at best, halfway. There is continual battling to get them to move further than they normally do. I understand the fears of the hon. member who moved this amendment and those of the other speak-

ers from the Conservative Party. If I had more confidence in getting some fast results from this minister in terms of adjusting prices to reflect increased costs of production, I would have little worry about the length of the term in this legislation. I appreciate that the hon. member who moved the amendment also does not have that confidence. The government did at least move slightly to amend the bill so as to provide for an annual review, but it is still too softly worded, I think. The bill says that the minister "shall review", but then it goes on to say "with a view to recommending to the governor in council changes in the price system which would reflect the cost of production". I would rather it said "and shall recommend to the governor in council changes which would reflect the cost of production". One could then agree that the amendment would be totally unnecessary.

● (1610)

I am still inclined not to agree with motion No. 1. The seven-year guarantee at a minimum of $3.25 was a success in finally getting the minister to take such a step, after repeated demands from prairie farmers and farm organizations over many years. Having got that much out of him, I am somewhat reluctant to lessen the length of time. I fear that if we reduce the period from 1980 to 1977 as proposed in the motion, this would leave the door wide open, if we are still stuck with this minister in charge of the Wheat Board in 1977, for him not to further extend the two-price system. He might do less than is already provided in the bill.

This is why I am inclined to vote against the motion. We run the risk of the matter being left wide open in 1977 and of losing even what we have in this measure, especially if we then happen to be in a period of recession and the Minister of Finance is still screaming for restraint and trying to cut back on all the different departments of government. I wonder whether the hon. member for Crowfoot (Mr. Horner) has thought of the risk. Whatever inadequacies there are in the legislation, I think shortening of the length of time, on the other side of the coin, does constitute a risk.

With regard to calculating the cost of production, the minister and the majority of the committee refused to accept an amendment which both the Conservatives and my own party members proposed regarding a cost of production escalator. They refused it on the excuse that it would be very difficult to arrive at a proper calculation of the cost of production. I understand that the Department of National Revenue, under the Income Tax Act, has no problem arriving at the cost of production of a farmer because it is what the department allows him for his costs. I am sure that even a computer analysis of farm costs shown on the income tax returns of the grain farmers of western Canada would produce a pretty good figure, because you can be sure that the farmers attach every bill of expense they can so as to reduce their income tax liability.

Statistics Canada has done a lot of work in this field. There have been several farm management studies, and farm management groups in Canada have carried out extensive work on the question. I believe that two or three of the universities in the prairie provinces have done work on the matter. All these sources can be used in arriving very quickly at a cost of production calculation that will at least reflect an average cost of production in Canadian Wheat Board areas.

I asked the minister in committee, after the amendment calling for mandatory review by the minister on an annual basis was passed, whether he would be good enough to consider carrying out a review of the 1974 experience, and he said he would not. He refused in the committee and said his first annual review would commence after 1975. This means that the farmers have lost an additional year in regard to having their cost of production taken into account and reflected in the prices to be paid under this legislation.

I should like to hear the minister assure the House that he has had a slight change of heart for the better; that he will in fact make a review, under the legislation, of the 1974 experience and that he will make appropriate recommendations to the governor in council this fall, or as soon as he possibly can, regarding additional funds. I do not think there can be any question that the increased cost of production in 1974 will be, if not the highest then certainly one of the highest for some years ahead. All of us know about the kind of jump in farm costs that occurred in 1974, particularly for products related in any way to oil, such as farm fuels, fertilizers, farm machinery and farm machinery parts. Then, of course, interest rates increased. I submit that farm costs made the highest jump in history during the year 1974, yet the minister does not want to make a review of that year.

The legislation provides that the minister shall review on an annual basis. The amendment does not ask that he shall review, commencing in 1975; it just says he shall review on an annual basis. We have had the 1974 experience. Although I am no lawyer, I interpret the amendment moved by the hon. member for Assiniboia (Mr. Goodale) which the committee accepted to mean that the minister must begin now to make an annual review of the cost of production in 1974. I trust that his officials would draw on Statistics Canada, the Department of National Revenue and any other source necessary in order to come up with a good calculation of the average increase in cost of production.

I appreciate that this cannot be done farm by farm, that cost of production varies from one part of a designated area to another. But surely the total increase in costs can be arrived at. This will take several weeks of work and statistical study, and I hope the minister is already working on the matter. If he is not, then it seems to me the minister should be—at least as I interpret the legislation. I, for one, will want a legal opinion on the question; I am not just going to rely on the opinion of the Minister of Justice. It seems to me from the way the amendment reads, and the way the legislation as amended reads, that the minister must carry out a review for last year. If he were to do so, I would be even more inclined to vote against motion No. 1, because such action would at least restore a little confidence that until 1980 farmers would get a fair shake in terms of any increase in the cost of production since it would be reflected in the price they receive for hard wheat and durum.

The other point I want to make is this. The minister failed to respond to suggestions that he do something

about how durum wheat should be treated in the legislation. When one looks quickly at the bill, one gets the impression that the floor for durum is $5.75, whereas it is in fact $3.25. As and when the world price drops for durum wheat below the $5.75 figure, so does the floor in this bill drop, and it keeps dropping until it gets down to $3.25.

● (1620)

I submit, as many farmers have, that historically durum has always brought a somewhat better price than hard wheat. I appreciate that you cannot maintain a $2 or $3 per bushel spread between hard wheat and durum because you would then be up to your eyeballs in durum and would not have enough hard wheat. Farmers would, quite naturally, grow more durum than we could use or sell. It is fair that at least a 50-cent or even a $1 differential should be maintained between the price of durum and hard wheat. I still think that should be the case. I hope the minister will agree to amending his own legislation, although it is a little late to do that at this point in time. When he makes his annual review and appropriate recommendations to the governor in council, he could bring in additional amendments to the legislation to accomplish that very thing regarding the price of durum wheat.

The whole principle of long-term guarantees and contracts for farmers has been fought for by my party and farm organizations for many years. We have finally obtained a commitment from this government in respect of at least $3.25 per bushel. That is insufficient in my opinion since it only applies to wheat and does not do a proper job in accounting for increased costs of production, but at least it is a beginning. The fact that we have finally succeeded in getting something in this legislation that gives the farmer the assurance of some certainty in respect of what he is going to get for several years causes me to object to the motion. I object to it, as well, because I am fearful that if we shorten the time to 1977 from 1980, the whole thing will be left wide open and we run the grave risk of losing what we have in this legislation, getting less or not getting anything better for the years after 1977. On balance, I have to oppose the motion.

One can hope that the annual review will produce some results and I hope that the confidence of the hon. member for Assiniboia (Mr. Goodale) is not misplaced in that regard. I hope the hon. member will add his support to my suggestion that the first review should be carried out for 1974. It is very likely that the cost of production in 1975 will not increase as much as it did in 1974, so the farmers would lose out in respect of the worst year in relation to rising costs of production. I hope the hon. member will attempt to persuade the minister to make that review on a retroactive basis for the crop year that has just finished.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have only a few points to make on the bill as I do not want to repeat what has just been said. I support the amendment. I am sure the wheat farmers in western Canada would be satisfied to have either of the suggested principles included in this bill. I think it is necessary to make some points in relation to the cost of production, and I intend to put on record some statistics from Statistics Canada which show this dramatic increase.

[Mr. Benjamin.]

The proposed amendment of the hon. member for Assiniboia (Mr. Goodale) is vague in relation to whether the minister has to bring forward these aspects of production costs. The Conservative Party has been consistent, contrary to what the minister suggests, in having the best interests of the farmers at heart and in attempting to see that the farmers get a proper deal. We are concerned that if the price of wheat increases above $5 a bushel, the farmer will not from now until 1980 be able to take advantage of that price increase in respect of the number of bushels consumed in Canada, but he will still have to absorb the increased cost of production during the years from now until 1980.

I appreciate that this bill ultimately provides a consumer subsidy and the farmers, being consumers, will be able to take advantage of the price of bread remaining relatively stable. One very important element has not been taken into consideration, and that is the increasing cost of producing wheat on the prairies. If production costs increase as they have in the past, the farmer will be penalized in respect of the amount of wheat he sells. Essentially, he will have to make a contribution rather than realizing a slim profit or even breaking even. To set the price per bushel for such a long period without making some concrete provision for escalating input costs is totally unrealistic.

The guaranteed price is basically $3.25 a bushel. Perhaps a year ago, or even today, $3.25 would be a satisfactory price. However, we certainly have no assurance that in 11 years $3.25 or, for that matter, even $5 will be sufficient to cover the increase in input expenditures. The Federation of Agriculture appeared before the committee and stated that since this bill was introduced to the House the cost of production had already risen 14.6 per cent, particularly in western Canada where this grain is produced. Given this fact, the figure of $3.25 should increase to approximately $3.67 a bushel. If the price of wheat should fall below the $3.25 guarantee, the farmer would only receive the same price per bushel regardless of his increased production costs.

We all know how important wheat production is at this time, particularly when the world is finding itself in a deficit food position. We have even heard pleas for increased wheat production here in this House. Surely we must give more consideration to the producers of wheat than is currently being given in Bill C-19. The agricultural sector is the very backbone of our economy, and the grain producers make up a very substantial percentage of this agricultural bloc. Only through a demonstration of fairness and a willingness to consider their arguments can we encourage them to increase their production of No. 1 wheat.

Statistics Canada is today putting out figures on the increased costs of farm production. It would be very easy for the minister to use those statistics as a basis for increasing the $3.25 price. The hon. member for Regina-Lake Centre (Mr. Benjamin) has shown how the costs increased dramatically during 1974. I should like to put on record the percentage increases according to Statistics Canada. Statistics Canada has stated that total farm input costs increased, between 1973 and 1974, by 27.3 per cent based on 1961 dollars. The report has four columns in

which they show that the cost of land and farm buildings increased, between 1973 and 1974, by 16.1 per cent. It is well known that farmers must increase their land holdings from time to time and update their old buildings or build new ones.

● (1630)

Farm machinery and motor vehicles have increased by 18.1 per cent, farm labour has increased by 39.4 per cent, and all the other materials used in the production of agricultural products have increased by 39 per cent. This is in the period between 1973 and 1974. To project that from 1974 to 1975, if we look at the industrial price index we see that the cost of production will increase at approximately the same rate as it did during the 1973-74 period. That is why it is so important that either of the amendments of the hon. member for Crowfoot (Mr. Horner) be accepted by the House. The amendment placed before the committee by the hon. member for Assiniboia takes us a short way toward obtaining that principle, but I think far better than that would be an amendment to the bill that would assure the farmer that the increased cost of production in fact would be added to the base price he would receive.

Another point I should like to bring before the House is the fact that, while many people may be pessimistic concerning the price of wheat, a number of witnesses who appeared before the committee said that the price in fact could go very much higher in the next number of years than it is today. We have been accused of blowing hot and cold concerning the price of wheat. That may be so. Perhaps the farmers as they look at the fluctuations in prices and input costs are a little leery of the future. But these witnesses, who I believe are in the know because they deal with the grain situation from day to day, have stated that the price of wheat could go as high as $10 a bushel. I should like to quote from page 5 of the *Minutes of Proceedings and Evidence*, issue No. 10. The chairman of the Pallliser Wheat Growers' Association had this to say in reply to a question put to him by the hon. member for Moose Jaw (Mr. Neil):

> That is right. You cannot really rationalize what is going on and what has taken place in the past 12 or 18 months. It would not be inconceivable that we could go to $10 a bushel before spring or in the next two or three years.

The Washington agricultural outlook conference had the same thing to say: this was also brought before the committee. It was stated in that report that if we can pay the international price in Canada, it is quite conceivable we could reach a price of $10 a bushel in the future. These are the predictions of people who have studied the situation. I believe western wheat farmers are optimistic that the price will increase and that they will be able to meet their cost of production but they are concerned that if in the next two or three years the price should go up they would be committed to a maximum of $5 for their wheat even if the price should go beyond that. If the farmer does not receive a proper return for his product, he may well go into the production of other forms of grain. I think this would be disastrous to our economy because a large portion of our export wealth is based on wheat. It is important that we see that farmers do not go into other types of production because of being locked into an agreement under this bill.

I think it is important that we consider these two amendments and pass one or the other in order to make this a better bill for the western wheat growers. I hope the minister and other members will take note of this and will look favourably at the amendments.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): The question is on motion No. 1 in the name of the hon. member for Crowfoot (Mr. Horner). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Penner): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Penner): Pursuant to section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred. The House will now direct its attention to motion No. 2.

Mr. J. H. Horner (Crowfoot) moved:

> That Bill C-19, an act to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, be amended at page 3 by (*a*) deleting the word "and" in line 40 (*b*) deleting the period at the end of line 44 and substituting therefor ";and" (c) adding immediately after line 44 the following paragraph:
>
> "(*c*) regarding payments authorized under section 4 of a bushel of wheat consumed in Canada; that each year the Canadian Wheat Board, through the minister in charge, report to parliament the average estimated increase in the cost of production.".

He said: Mr. Speaker, there are two significant things about this amendment which I should like to draw to the attention of the House before a decision is reached on it. First of all, the amendment suggests that the Canadian Wheat Board estimate the cost of production. It is not suggested that the minister, for political reasons one way or another, or that some other group should make the estimation, but that the Canadian Wheat Board should estimate the cost of production and the increase in the cost of production each year. Then, through the minister, that figure would be publicly reported in the House of Commons so that everybody would know what in fact was happening concerning the farmer's cost of production in respect of products under this bill which are sold for domestic consumption.

A few minutes ago the minister said that the hon. member for Assiniboia (Mr. Goodale) had moved an

amendment in committee which he thought would take care of an annual review. That amendment can be found at page 4 of the reprinted bill. It reads:

The minister shall, on an annual basis and in consultation with the producers, review the provisions of this act—

I should like to think that any minister would annually look at the provisions of an act which came under his jurisdiction. I think it would be an insult to a minister to have to be told to do that. I believe it is improper for a minister to be told in a bill that he should do his job. The amendment goes on to say:

—and all related regulations enacted by the governor in council with a view to making such recommendations to the governor in council as are appropriate in the light of prevailing costs of production of wheat and returns to producers.

I have read many wishy-washy words around the House of Commons and have seen some wishy-washy words in pieces of legislation, but from my point of view this amendment to the bill does nothing. It does not enhance the bill. If the minister is doing his job, certainly he would tell his cabinet colleagues about the problems in the part of the agricultural industry for which he is responsible, namely, the wheat farmer and the Canadian Wheat Board. Certainly he would tell the governor in council about the problems of increased costs which the farmers have to put up with.

● (1640)

In looking at committee proceedings No. 12, I find that the hon. member for Assiniboia had quite a lot to say about costs going up or down. At page 12 of the proceedings he is reported to have said the following in reply to Mr. Atkinson of the National Farmers Union who spoke about the squeeze in which farmers would find themselves if a fixed ceiling were set, a squeeze brought about by the escalation in the cost of production:

The legislation is, of course, flexible on that point; it allows that figure to move up and down.

I do not know how much it allows it to move up and down, unless the hon. member is considering adjusting the subsidy that the government puts in at $1.75. If the hon. member wants it lowered to $1.75, then that is a pretty interesting concept. I would hate to think the minister would do that, or that he would pay any attention to his former side-kick in this regard. The hon. member went on to say:

The other issue which is really quite a different one is whether the $5 present talk that is in the legislation is realistic, given the nature of world prices at any particular moment in time. I wonder whether an indexing feature, although it would deal with the base price problem, would really solve any concerns that some people might have about the problem at the other end.

It is interesting to note that every farm organization that has come before the committee, including the Ontario Wheat Farmers, the National Farmers Union and the Palliser Wheat Growers, has stated that indexing is necessary. On page 5 of committee proceedings No. 10, Mr. Nelson, former president of the Palliser Wheat Growers' Association, spoke about the escalating factors in the cost of production. He was replying to a question put to him by the hon. member for Moose Jaw (Mr. Neil) who said:

[Mr. Horner.]

You mentioned that your executive, in discussing it, were not happy with a $5 ceiling, but I gather there again you would like to see that adjustable. Is this correct?

Mr. Nelson answered:

Right, either through an escalator clause which would, in turn, take into consideration the cost of production; for example, if the cost of production went up 20 per cent in a year, both the floor and the ceiling ought to go up 20 per cent, or a review aspect in it.

That is what I am asking for in this amendment. Although I could not amend the bill to put in an indexing clause which the Federation of Agriculture wanted, as stated in its very able brief to the committee outlining their point of view, I am suggesting that if the minister had to report to the House of Commons on how much the cost of production went up each year, attention would be focused on the plight of the farmer and members of parliament would bring attention to the need to adjust the bill to compensate for any increase in the cost of production.

The minister stated that the $3.25 floor price is actually the world price. It can be argued that the world price is a few cents below the $3.25 which is the fixed price the Canadian miller would have to pay for Canadian wheat. The minister said in committee that while that price took into consideration the cost of production, the cost of production was not necessarily used in establishing the $3.25. It is immaterial to argue whether it does or does not take into account the cost of production, because we realize that in these inflationary times eventually costs will exceed that floor price.

I think it was generally agreed by all farm organizations that the base price should at least take into consideration the cost of production. The Federation of Agriculture, in their brief to the committee, stated that point quite clearly as recorded in committee proceedings No. 5. The federation stated that since the guaranteed price was set in September of 1973, farm input costs have gone up 14.73 per cent. They estimated that taking an average for the whole of Canada of about 13 per cent of the $3.25, and adding that to the floor price, you will get the base price for 1975 of $3.67. They believe that the base price should at all times include the cost of production. They figure that for 1975 the price should be $3.67.

Surely all we are stating in this amendment is that it should be publicly noted by the minister that the Canadian Wheat Board, whose business it is to know the cost of production of wheat, because they are designated as the major handling agency for western Canada in the Wheat Board area, should assess the cost of production, report to parliament on it and then the onus would be on parliament to adjust the legislation. The amendment moved by the hon. member for Assiniboia does not do much, in my view—or, I am certain, in the view of many farm organizations. It does not make public the cost of production. If the cost of production was made public, everybody would be clearly aware of the responsibility of the minister and of parliament to adjust prices so that farmers could stay in business and continue to produce wheat.

The minister can talk all he likes about the price of wheat going above $5 a bushel, but we all know that costs to the farmers are going up rapidly. We can all remember a few years ago the old cry of farm organizations about the cost-price squeeze and we can foresee it happening again

in the years ahead. We hear talk of shortages of gas in Canada and increased oil prices because of Canada's becoming very shortly a net importer of oil. We are not farming in what some people like to refer to as the good old days when we fed our horses a little oats which gave them the energy to pull the plow. We grew our crops with horse power, but we now farm with highly mechanized agricultural implements such as tractors which burn diesel fuel, gas or propane. All farm implements burn a considerable amount of fuel, and fuel costs will more than likely increase unless someone can find a major supply of cheap energy from somewhere other than the OPEC countries.

● (1650)

It is foolish to think that we should tie farmers down for seven years with no escalating clause and no publicly recognized indicator as to how much farm cost will go up. My amendment only suggests that there should be public acknowledgement that those costs will go up, and that the onus is on the minister in charge of the Canadian Wheat Board, whoever that might be in 1977, 1978 or 1979. There will certainly be a new minister after 1978. I would like to think there might be one before that. However, the onus should be on that person to consider those costs which have increased and will continue to increase. Even if we contain inflation, energy costs will more than likely go up as we become a net importer of oil. I put no value on the amendment moved in committee, and I urge the House to accept my amendment. It does not change the legislation; it just makes the minister report to the House the findings of the Canadian Wheat Board on cost of production.

One can read the 1973-74 annual report of the Canadian Wheat Board. It is a very nice, blue document which pertains to the field of agriculture. There is on it a beautiful picture. When I first became a member of parliament this report was referred to the agricultural committee every year. In recent years the government has had to be badgered in order to have a thorough study of the report in the agricultural committee. Nowhere does it suggest that production costs have increased. Nowhere does it deal with the aspect of how much the cost of wheat production has increased. It deals with the total world population and the growth of world production of wheat. It deals with countries we compete against such as Australia and Argentina and their possible production capacity. It deals with importing countries on the continents of North America, Asia, and so on. It deals with feed grain production in the United States and in Canada.

The report deals at length with international wheat agreements. I have nothing against international wheat agreements. Even in international wheat agreements of the past few years there has always been room for the price to fluctuate and move up if there was demand and if the costs of producing countries went up. Of course, if the price did not move up, there would be less and less wheat in the world and more and more people going hungry.

My amendment places greater onus on the Wheat Board to analyse the cost of production. It places greater responsibility on the minister to report those costs to the House. Then, of course, it is up to parliament to assess those costs and perhaps at a future time to adjust Bill C-19 accordingly.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to add a few words to those of the hon. member for Crowfoot (Mr. Horner) in support of his motion, because in the committee I originally moved some amendments with the same idea in mind. Farmers are receiving a bad deal from this government. I have pointed out on various occasions that farmers simply do not trust the minister responsible for the Wheat Board, although at every turn they find it is not only the minister himself; he is simply running true to form as far as any Liberal government is concerned. This has always been the pattern when dealing with Canadian farmers, but we notice it particularly with regard to grain because everyone is aware that grain is one of the great commodities we have for sale. Many of us are dependent on the sale of that commodity for our livelihood.

At one time there was what was known as the British wheat agreement. That agreement was signed by another Liberal government back in 1945 to 1950. At that time there was a "have regard" clause. I merely bring this out because the hon. member for Assiniboia (Mr. Goodale) squirmed and turned in committee after I proposed an amendment which I thought dealt with the matter adequately. There was a rush and a scurry on the part of the Liberal members who were wondering how in the world they could take the credit away from me at that time. They had consultations because my amendment was to appear before theirs. They did not know how to get around that. They had the same idea as I did, but they were not prepared to give me credit for it.

Be that as it may, it turned out that the committee voted on my amendment first. Naturally, it was turned down for no other reason than that it came from a member of the opposition—as though they have any priority on ideas! However, the motion introduced by the hon. member for Assiniboia was dealt with but it is so wishy-washy, as has been pointed out by the hon. member for Crowfoot, that it really leaves us with nothing. It leaves us with nothing except a vague reference to a law. It does nothing with regard to pointing out the facts in relation to the cost of production, because at that particular time under the British wheat agreement there was a "have regard" clause. There may be some who remember that clause. There are perhaps very few members who were in the House at that time. Certainly I was not here, but I remember the debate very clearly. At that time, thanks to the Liberal government's lack of foresight, the western farmer lost something like $500 million or $600 million. At that time, the government said that the British would have regard to the cost of grain, that they would take that into account and perhaps pay more if the world price became higher.

● (1700)

As it turned out, the world price of grain dropped tremendously after the war, and countries that were not tied into that type of agreement were getting high prices. Canada was tied to the agreement, however. The present minister looks back on the pages of history in order to follow the pattern of the Liberal Party, so now he is tying us to a fixed price for seven years. Of course, we all know that the cost of production will go up. But what recourse do we have? We cannot introduce an amendment to ask for a higher price, so we ask that the facts be revealed to

the public. It is our opinion that the Canadian public will deal more honestly and fairly with the demands of western farmers than this government, if all the facts are known to them. We already have a Food Prices Review Board. What we are asking for now is a cost-price review board. The Wheat Board has an accounting system and a computer all set up and could take care of the accounting involved.

I really think, Mr. Speaker, that the minister should be required to report to parliament on the cost of production. What we need is a truth squad to go out into the country and determine what the price is. At the moment the minister believes that the $5 price is high enough. I am sure he will have no hesitation in saying a year from now that the bill presented under the two-price system is a good one. We want the minister to be brave enough to tell the western farmer a year from now that his cost of production has not gone up, or has gone up. If he can tell a farm audience, "We paid $5 for seven years", then I want him to stand in this House each year until 1980 pointing, on the one hand, to the $5 ceiling and, on the other hand, to the way the government has managed the cost of production factor. If the government has done its work well and the cost of production has gone down, by 1980 he will be able to say to the farmers, "I gave you $5 and your cost of production has gone down." I would like the minister to do that every year, Mr. Speaker.

After the bill was in committee, I believe the hon. member for Assiniboia complained that some opposition members had filibustered and found fault with it. Well, I am finding fault with it right now, Mr. Speaker. I believe the cost of production will go up. The minister may not believe that, but if he feels so strongly about it he should accept this amendment. If he is confident that the bill is valid now, and will still be valid by 1980, he should accept the amendment. The minister would find a truth squad a valuable instrument to investigate other areas. If the Food Prices Review Board is able to check the cost of food and determine whether anybody is ripping off the consumer, then a parallel case could be made for a cost-price review board.

I hope this House will support the amendment. I hope that two years from now the minister will be brave enough to come before the House and give us the facts, instead of hiding behind unreliable statistics. The relevant statistics are already in the hands of the Canadian Wheat Board, and that is where the minister should look for his information.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I just want to say quickly that we feel we can support this amendment. It will not do any harm, but it might do some good. Some hon. members expressed fears that the amendment might make the Canadian Wheat Board unhappy and place on it the burden of hiring additional staff to produce a statistical analysis on this scale. In the end, of course, the cost would come out of the pockets of the farmers through Wheat Board funds. If the amendment were to pass, however, I think the Wheat Board could use information from Statistics Canada, the Department of National Revenue, universities, research groups and farm management groups.

[Mr. Korchinski.]

I like the fact that the amendment calls for the report to be made to parliament. It may well be that the minister will report to parliament following his annual review in any case although nothing in the legislation says that he must. I do not think the amendment would impose any extraordinary requirements on the Wheat Board. If it meant it would have to put in a computer and hire several hundred more people to do the statistical analysis, of course that would be a duplication of effort and a waste of time and money. I think this amendment could be helpful, Mr. Speaker; I do not see how it could be harmful, and I think the minister should accept it and save time in getting his bill through.

● (1710)

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, this afternoon I have listened to interesting comments from both sides of the House on a useful and important bill, Bill C-19, which has been before parliament since last fall, although the mechanics of the program have been in place somewhat longer. Its principles of operation are well known to members of the House who are interested in this subject, and well known particularly to western farmers who, as you know, are most interested in this legislation.

As the hon. member for Regina-Lake Centre (Mr. Benjamin) has pointed out on other occasions, members of this House of all political parties, members of farm organizations across western Canada and, I suspect, of other parts of Canada as well, have made representations about the need in this country for a two-price system for wheat. We saw a proposal of that kind presented to parliament last fall in specific statutory form. We hope soon to see final approval of it.

Let me deal with some misconceptions about this legislation, misconceptions made evident by the amendment which is now before the House. The impression has been conveyed by members opposite speaking on Bill C-19—I hope the impression has been conveyed from a mistaken notion and has not been conveyed deliberately—that this legislation deals with some kind of pegged or fixed price, with a price which will be there for seven years, without room for variation. That, clearly, is not so. The very attractiveness of the legislation lies in the fact that it does not provide for a pegged price, although I suppose a pegged price in Canada is acceptable if it is above the going world price, and that was the situation for some time before this legislation came forward. When you come to the other situation in which the international price is the high price, you cannot talk about a pegged price that is going to to be fully adequate and reasonable over a period of time.

The legislation provides for a price range. It is a useful and good price range and we should look at the parameters of that range as set out by the minister earlier this afternoon. It is a range that is fair and reasonable in the circumstances. Certainly, when it was first established in September, 1973, it was broadly heralded as one that was fair, reasonable and good, and one that exceeded our wildest expectations for grain prices, even for the longer term, just a few months before that range was established. Let us consider what has happened to the price since the beginning of this exercise. Since the Standing Committee on Agriculture finished working on this bill in January or

early February, we have seen demonstrated the real value of this kind of arrangement for domestic wheat sold in Canada, as prices have been coming down.

Nobody in this House is happy with that prospect, because we all know what it means in terms of the incomes of western grain and wheat producers and a lot of other producers across the country. Although we are quite optimistic and hopeful that prices in future will continue to be strong, that prices in the rest of the decade will be high for Canadian grain producers, we must face the prospect, unhappily, that prices could and at some stage no doubt will begin to drop. This is borne out by history, unfortunately. So the price range established by this legislation has proved to be a reasonable and realistic one if you consider it from the point of view of the maximum figure which is set at $5 for hard wheat.

On the other side of the coin, some useful opinions were expressed about floor prices. Perhaps one of the most educated and useful opinions which one should consider is that expressed by the chief commissioner of the Canadian Wheat Board, Mr. Vogel, who appeared before the Standing Committee on Agriculture and was questioned strenuously by hon. members on the very point I am making. Mr. Vogel appeared before the committee on November 14 last and his remarks are recorded in issue No. 7 of the proceedings of that committee, on page 26. After dealing with some of the questions I raised and after mentioning the $5 price, Mr. Vogel said, as recorded on that page in the committee minutes:

> However, I think it is not correct to ignore the other part of the program which was important to us and that is the guarantee at $3.25 which we do not have on the export market—

Lower on the same page Mr. Vogel is reported as having said:

> —I will tell you that as a board we regard the $3.25 as a meaningful figure.

I think it is useful to record that opinion from one who is clearly an expert in the uncertain game of trying to assess where grain prices will go from time to time. He indicated what the realistic expectations of grain producers are if they want to assess their prospects over the longer term. Clearly, the bill is useful in that it provides not for a pegged level of price but for a range of prices. We have, in addition, the amendment which was passed by the committee and presented by government members after it had been thoroughly discussed by committee members. I am referring to clause 5(3) which provides specifically for a review procedure, not in 1977 or some later date but every year. I think that would be a useful exercise, and that amendment by itself makes the amendment now before the House unnecessary.

For the benefit of hon. members who may not be aware of the language of the amendment as adopted by the Standing Committee on Agriculture, I shall read it. The new clause 5(3) reads:

> The minister shall, on an annual basis and in consultation with the producers, review the provisions of this act and all related regulations enacted by the governor in council, with a view to making such recommendations to the governor in council as are appropriate in the light of prevailing costs of production of wheat and returns to producers.

It is an all-encompassing amendment which will achieve the objectives hon. members opposite have been urging on the House most of this afternoon.

Mr. Benjamin: For 1974?

Mr. Goodale: We are talking about a contract, or an arrangement if you like, the duration of which is to be until 1980. Periodically, we should look at it to ensure that in all circumstances, from the point of view of cost of production and the point of view of total return to producers, the arrangement is fair, reasonable and serves the best interests of this country and, of course, of grain producers who are particularly affected by this legislation.

The members of the Standing Committee on Agriculture did not rush their consideration of this matter. We heard excellent witnesses from farm organizations. At this point I will commend hon. members opposite who came forward in the first place with the suggestion that farm organizations and others should be invited to present their views. That was a useful and constructive idea made by members of opposition parties. As I said, we heard witnesses who presented useful testimony and all who took part in this debate referred to the things they said. After that, and after we had discussed this matter among ourselves, members of the committee on my side of the House felt that the basic argument was well taken and that we had to provide for some ongoing mechanism to take into account changes which might occur from time to time in costs of production and in other circumstances which might affect the effectiveness of the program.

We therefore proposed a review mechanism, but we specifically declined to propose a rigid indexing system. I think the comments made to the committee by the president of the Palliser Wheat Growers' Association, Mr. Nelson, are important. He pointed out that indexing is all very well and good and would at least partly compensate for increases in a farmer's cost of production, but that a host of other factors need to be taken into account between now and 1980, and indexing could not do that. He suggested that an annual review by the minister would be the best way to take these factors into account. These factors might involve cost of production changes or any other changes which might bear upon this legislation.

I think we on my side of the House and, I suspect, hon. members opposite as well, found a good deal of merit in what Mr. Nelson had to say, and we suggested the amendment which is now in the legislation and which I submit largely eliminates the necessity for the amendment presently before us and recently moved by the hon. member for Crowfoot (Mr. Horner).

● (1720)

As we come to the conclusion of our discussion on this legislation, I want to commend one member of the opposition in particular who participated very actively in the deliberations on Bill C-19. He is not in his place today but I know these remarks will come to his attention. I refer to the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn). Once the amendment had been presented to the committee for consideration, that member took it upon himself to contact at least some of the farm organizations that had appeared before us previously. He asked them to comment

on the amendment the committee was considering; the amendment I read into the record a few moments ago.

It is interesting to see the reactions that came back; they are part of the official record of the committee proceedings. All members of the committee have copies of the letters which came from the various organizations. A reply was received from the Ontario Wheat Producers' Marketing Board. The letter is from Mr. K. A. Standing, general manager of the board, and it reads as follows:

> My board have reviewed the proposed amendment to Bill C-19 entitled "Annual Review by Minister".
>
> This board is in accordance with the proposed amendment, and I would appreciate advice on the destiny of the amendment and the bill.

That is clearly an endorsement from that organization. We received a reply from the Saskatchewan Wheat Pool. In his remarks earlier today, the minister commented on what the Saskatchewan Wheat Pool had to say about the amendment. I will read a paragraph of the reply from Mr. Turner, president of the Saskatchewan Wheat Pool. In his testimony he clearly opted for the more rigid and less flexible indexing approach. In his letter, he said:

> The above amendment, while not specifically committing the government to adjustment of the guarantee and/or the subsidy according to an index of farm input costs, at least recognizes the principle and provides opportunity for annual review.

We also have a reaction from the president of United Grain Growers Limited. The letter is rather lengthy. Mr. Runciman included a copy of some useful remarks he delivered in a speech. I will read the first two paragraphs of his letter to the committee:

> The directors of United Grain Growers are most pleased to have the cost of production factor entered as an amendment to Bill C-19.
>
> This is a good amendment and, on behalf of UGG's members, allow me to compliment the Standing Committee on Agriculture for moving it.

From that survey of opinion, which was initiated by the hon. member for Saskatoon-Biggar, we see a general approval of the kind of amendment that is in the legislation at the moment. It is clearly acknowledged that certain of the farm organizations that appeared before us would like to have seen in the legislation a very inflexible and specific indexing factor. However, for the reasons I discussed earlier, that particular idea did not commend itself to most members of the Standing Committee on Agriculture. I urge the same arguments this afternoon upon members of this House as we come to a final decision on this matter.

I wish to make some comment on certain remarks made during the course of this debate regarding testimony given before the standing committee by the Canadian Federation of Agriculture. I think the members of the committee will agree that, like all the groups, the Canadian Federation of Agriculture made a very useful and informative presentation. I think it would be useful for the committee and indeed this House if all members would adopt a rather more consistent attitude with regard to the kind of advice that from time to time comes forward from farm organizations. I say this particularly in connection with advice we have received from the Canadian Federation of Agriculture because they have been singled out by members opposite for consideration in today's debate.

[Mr. Goodale.]

It is important to consider their representations with some consistency. In the course of this debate, members opposite have spoken very highly about what the Canadian Federation of Agriculture have to say. It is quite proper that they should do so because the Canadian Federation of Agriculture presented a very useful brief to the committee on that point. However, this House should demand that hon. members be consistent.

I recall the remarks made in the past week or so by members opposite with regard to another piece of legislation, Bill C-41. The message was just the opposite, that we should not be relying upon the farm organizations and the commentaries they bring forward but, rather, we should circumvent them and address ourselves almost exclusively to the farmers. I do not think the Canadian Federation of Agriculture or any other duly elected farm organization would appreciate that suggestion.

My only plea is for consistency. It is an important principle that we should not treat the advice and counsel of farm groups favourably when it suits our purposes and unfavourably when it does not. It is very important that wherever possible we talk to the individual producers in western Canada or wherever they may be found in this country. However, it is also important to consult with and discuss policy proposals with organizations and groups. Let us do it on all occasions in both directions, not simply in one direction when it is convenient and in another when it may be particularly handy.

I am pleased to note that this government has a high regard for the expressions of individual farmer opinion which come forward to us from time to time. This minister in particular, the minister responsible for the Canadian Wheat Board, has repeatedly sought direct advice from individual farmers both formally and informally. I think of the formal occasions when he has sought that advice in the manner of a vote or poll. I think of the original vote on the two-price wheat program and the rapeseed marketing plebiscite. Then, there was the recent vote to elect the advisory committee of the Canadian Wheat Board. There have been many informal consultations, too, directly with producers in connection with such things as the stabilization plan, the feed grains policy, grains transportation and other very important issues.

In addition to those consultations between this government and individual producers, directly one to one, this government has demonstrated a high and consistent regard for the counsel and advice of farm organizations duly elected to represent the interests of farmers across the country. I plead that we in this House and elsewhere treat their recommendations with some consistency.

In my view, the basic point is that the amendment of the hon. member for Crowfoot is not necessary. I believe that Bill C-19, with the review procedure—and it is very important that it be in there—is adequate to deal with the situation. We have the obligation of an annual review. The bill as it stands should now enjoy speedy passage; it does not need the additional requirement of the amendment put forward by the hon. member for Crowfoot.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I will be very brief. We have just had a reiteration of platitudes about the Liberal Party's agricultural policy.

They are platitudes, and platitudes only: they produce nothing. Let us look at the platitudes which emanated from the Minister of Agriculture (Mr. Whelan) as an election gimmick. Let us look at the losses suffered by the hog growers in the Atlantic area. Let us look at the cost of the provincial government's stepping in to fill a federal vacuum. A review by the minister will be reflected in every piece of agricultural legislation that we have and in every approach by the government to agriculture. It has finally been decided by an interdepartmental committee, or by a multidepartmental committee, that agriculture is no longer number one. The primary consideration is the politics of the situation, which means that the individual farmer is not given the priority that he deserves.

● (1730)

I submit that the responsibility being placed at this moment in time in the hands of the minister leaves agriculture in the hands of an urban-oriented cabinet which has shown a complete lack of comprehension of the needs of agriculture in all its phases. I will be eating the bread that comes from the wheat that comes from the west; and what this bill does is to ensure that if the international price of wheat goes up, the farmers will lose income: if the international price of wheat goes down, the farmers will then sell on the international market. So the farmer loses either way. The referral structure that has been set up leaves the farmers, as I say, in the hands of an urban-oriented government which has not served, cannot serve, and has no intention of ever serving agriculture as an industry of importance in this country.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): The question is on motion No. 1. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on motion No. 1 (Mr. Horner) which was negatived on the following division:

Division

(Division No. 46)

YEAS

Messrs.

Alexander
Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Bawden
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Elzinga
Epp
Fairweather
Gillies
Hargrave
Hnatyshyn
Holmes
Horner
Howie
Huntington
Hurlburt
Jelinek
Kempling
Korchinski
MacDonald (Miss) (Kingston and the Islands)
MacLean
Macquarrie
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Oberle
O'Sullivan
Paproski
Patterson
Reynolds
Ritchie
Roche
Rynard
Schellenberger
Schumacher
Scott
Smith (Churchill)
Stanfield
Stewart (Marquette)
Towers
Whittaker
Wise
Woolliams
Yewchuk—60.

NAYS

Messrs.

Abbott
Allard
Anderson
Andres (Lincoln)
Basford
Béchard
Bégin (Miss)
Benjamin
Blaker
Boulanger
Brewin
Broadbent
Buchanan
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Clermont
Collenette
Corriveau
Côté
Cullen
Danson
Daudlin
Dionne (Northumberland-Miramichi)
Douglas (Nanaimo-Cowichan-The Islands)
Drury
Dupont
Dupras
Ethier
Fleming
Fortin
Foster
Fox
Francis
Gauthier (Roberval)
Gauthier (Ottawa-Vanier)
Gendron
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Herbert
Holt (Mrs.)
Isabelle
Jones
Joyal
Knowles (Winnipeg North Centre)
Lachance
Lajoie
Lang
Langlois
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacFarlane
MacGuigan
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Matte
McIsaac
Munro (Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Pearsall
Penner
Peters
Philbrook
Pinard
Prud'homme
Reid
Richardson
Roberts
Rodriguez
Rooney
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Sharp
Stanbury
Stewart (Cochrane)
Tessier
Turner (London East)
Watson
Yanakis—97.

● (1800)

Mr. Speaker: I declare the amendment lost. The question is therefore on motion No. 2.

The House divided on motion No. 2 (Mr. Horner) which was negatived on the following division:

Division

(Division No. 47)

YEAS

Messrs.

Alexander
Alkenbrack
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Bawden
Benjamin
Brewin
Broadbent
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Cossitt
Crouse
Darling
Douglas
(Nanaimo-Cowichan-The Islands)
Elzinga
Epp
Fairweather
Gillies
Hargrave
Hnatyshyn
Holmes
Horner
Howie
Huntington
Hurlburt
Jelinek
Jones
Kempling
Knowles
(Winnipeg North Centre)
Korchinski
MacDonald (Miss)
(Kingston and the Islands)
MacLean
Macquarrie
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro
(Esquimalt-Saanich)
Murta
Neil
Nielsen
Nowlan
Oberle
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rodriguez
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Smith
(Churchill)
Stanfield
Stewart
(Marquette)
Towers
Whittaker
Wise
Woolliams
Yewchuk—69.

NAYS

Messrs.

Abbott
Allard
Anderson
Andres
(Lincoln)
Basford
Béchard
Bégin (Miss)
Blaker
Boulanger
Buchanan
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte Saint-Paul)
Caron
Clermont
Collenette
Corriveau
Côté
Cullen
Danson
Daudlin
Dionne
(Northumberland-Miramichi)
Drury
Dupont
Dupras
Ethier
Fleming
Fortin
Foster
Fox
Francis
Gauthier
(Roberval)
Gauthier
(Ottawa-Vanier)
Gendron
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Haidasz
Herbert
Holt (Mrs.)
Isabelle
Joyal
Lachance
Lajoie
Lang
Langlois
Lapointe
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Matte
McIsaac
Munro
(Hamilton East)
Nicholson (Miss)
O'Connell
Ouellet
Pearsall
Penner
Philbrook
Pinard
Prud'homme
Railton
Reid
Richardson
Roberts
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Stanbury
Stewart
(Cochrane)
Tessier
Turner
(London East)
Watson
Yanakis—89.

Mr. Speaker: I declare the amendment lost. Mr. Lang, seconded by Mr. Sharp, moves:

That Bill C-19, an act to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, as reported (with amendments), from the Standing Committee on Agriculture, be concurred in.

Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Speaker: When shall the bill be read the third time? Next sitting of the House?

Some hon. Members: Next sitting of the House.

Mr. Horner: No. On a point of order Mr. Speaker, in order to go into third reading today we must have unanimous consent, and I say no.

Mr. Woolliams: Mr. Speaker, there are three people in the gallery tallying the vote. That information can be obtained from *Hansard*. I ask whether those people work for the Prime Minister (Mr. Trudeau) and if they are trying to find out who is here and who is not. I want to know what they are doing.

Some hon. Members: Oh, oh!

* * *

BUSINESS OF THE HOUSE

Mr. Sharp: Mr. Speaker, on a point of order, I would designate Friday of this week as an allotted day, pursuant to Standing Order 58.

Mr. Baker (Grenville-Carleton): On the same point of order, Mr. Speaker, I wish to thank the hon. member for that advice. Can he assure the House that Bill C-58 will be before us tomorrow?

Mr. Sharp: Yes, Mr. Speaker, the business for tomorrow will be Bill C-58 dealing with *Time, Reader's Digest* and assorted subjects. I should advise the House that it is very likely there will be allotted days on Monday, Tuesday and Wednesday of next week.

Mr. Speaker: Order, please. On the point of order raised by the hon. member for Calgary North (Mr. Woolliams), I am able to inform him offhand that two of the persons in the gallery to whom he referred are employees of the Journals branch and are not related to any political party. I will check on the matter, however.

It being after six o'clock, I do now leave the chair until two o'clock tomorrow.

At 6.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 8, 1975

The House met at 2 p.m.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—STAGE OF THE DISCUSSIONS SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance with regard to the consensus program following the reply from the representatives of the CLC. Can the minister indicate to the House what stage the process is in now, having said on Tuesday, the sixth, that it appeared there was a possibility of getting to the final stage by the end of the week. I should like to ask the Minister of Finance whether it is still in the middle stage or whether we will get to the final stage at the commencement of next week.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government will be seeking further clarification from the Canadian Labour Congress on its statement. Indeed, I intend to canvass the views and reactions of the provinces and the business community as well. We will be issuing an invitation to meet the executive of the Canadian Labour Congress early next week.

INFLATION—KNOWLEDGE OF MINISTER OF WORKING PAPERS PRESENTED TO CANADIAN LABOUR CONGRESS SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am sorry the minister will not indicate at what stage we are. Yesterday, the Acting Prime Minister indicated that the working papers on this subject that were revealed to the press on Monday were in fact before the CLC and others. I should like to ask the Minister of Finance whether this was done without his knowledge since on Tuesday last he indicated in response to questions that these papers published in the press on Monday must have been earlier working papers. Were there in fact papers presented to the CLC and others by the Acting Prime Minister without the knowledge of the Minister of Finance?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. The working papers and discussions have been continually evolving. The reports I read seemed to concentrate primarily on the wage and salary side. The papers which have been in circulation were based on the assumption that every sector of the economy was entitled to bear its burden in the moderation for which we were seeking agreement, and particularly on the wage and salary side there was an assumption there would be sufficient flexibility for catch-up for those areas of the working force that had fallen furthest behind. Also there was a legitimate bias in favour of the lower paid men and women in the work force. It was for this reason I felt the report did not fairly reflect the amplitude or totality of the propositions or proposals in discussion.

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

INFLATION—REQUEST FOR TABLING OF WORKING PAPERS SUBMITTED TO CANADIAN LABOUR CONGRESS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, at least it is clear today that these were not earlier papers as the Minister of Finance seemed to suggest at the first of this week. Now that the Minister of Finance and the Acting Prime Minister have conceded that certain papers have in fact been circulated to the CLC and others, and particularly since the CLC has commented or made a response on these papers, is it not appropriate that the Minister of Finance or the Prime Minister should make public these papers, together with any covering letter, so that those of us who are mere members of parliament at least would have some accurate idea concerning what the CLC is commenting on, particularly since the Minister of Finance and others in the government keep telling us their position has been misrepresented.

● (1410)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think that in the interest of public policy, because of the events in the last few days, it would be in the interest of the House to have these working papers, such as they exist at the moment, tabled in the House, and I am prepared to do so.

INFLATION—INQUIRY WHETHER GUIDELINES ON RESTRAINT HAVE BEEN PREPARED FOR ALL SECTORS OF THE ECONOMY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, we do not know just what papers the Minister of Finance wishes to submit. On Tuesday, the minister stated that the program should be comprehensive and should embrace the total economy. Since the working papers which we know about to date do not express such a resolution, can the minister advise whether new documents have been prepared that make specific proposals on guidelines and mechanisms for all sectors of the economy and, if so, will they be mailed, and to whom and when?

Hon. John N. Turner (Minister of Finance): I have just said that there will be meetings next week with the Canadian Labour Congress and representatives of the business community to assess the situation subsequent to the statement made yesterday by the CLC. At that time perhaps we will be working on the basis of further discussion documents, but I am not yet prepared to say whether or not we will be operating merely on the terms of reference suggested by the CLC in its own statement.

INFLATION—POSSIBILITY OF MONITORING BOARDS WITH POWER TO ENFORCE GUIDELINES

Mr. Lincoln M. Alexander (Hamilton West): I understand that yesterday the Minister of Consumer and Corporate Affairs expressed some concern about this entire matter and said he is almost ready to introduce his price justification legislation. In order to find out whether he is coming to the rescue or is just throwing out a red herring in the matter, may I ask the Minister of Finance whether the government has changed its earlier position expressed in the April 10 statement and is now proposing monitoring boards that would have powers within the consensus program to enforce certain guidelines?

Hon. John N. Turner (Minister of Finance): I am sorry, Mr. Speaker, when I heard my colleague's name mentioned, I focussed on these papers before me. I apologize. Would the hon. member repeat his question?

Mr. Alexander: It has been reported that the Minister of Consumer and Corporate Affairs is almost ready to introduce his price justification legislation because he is concerned with the progress made by the government at this time. In order to determine whether the minister is coming to the rescue or just throwing out a red herring in this regard, may I ask the Minister of Finance whether he can advise us if the government has changed its earlier position expressed in the April 10 statement and is now proposing monitoring boards that would have powers within the consensus program to enforce certain guidelines?

Mr. Turner (Ottawa-Carleton): Within the consensus program, the papers—that I hope you will allow me to table, Mr. Speaker—provide for a series of alternative suggestions as to whether a board or boards should be constituted. Those boards, as I said in reply to the hon. member's leader, would have a monitoring power but no power of enforcement except, of course, the scrutiny of parliament and of public opinion.

Mr. Speaker: Order, please. The Minister of Finance has asked for leave to table certain documents. Is that agreed.

Some hon. Members: Agreed.

INFLATION—APPLICABILITY OF RESTRAINT PROGRAM TO CORPORATE DIVIDENDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the finance minister's statement a few moments ago that the income restraint program should be borne equally by all segments of the economy, I want to ask him what restraints will be placed on corporation dividends in view of the fact that the proposal which the minister has sent out definitely excludes corporation dividends on the ground that "the disposition of profits is better left to the companies so that they may feel freer to determine how best to raise their capital". In view of the fact that they may not entirely divert their profit to capital but pay it to their shareholders, how does the minister propose to apply restraint measures, or is this restraint program to be applied solely to the workers and wage and salary earners of this country?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the answer to that is no. Business is being called upon within those discussions and working papers to limit price increases to increases in cost. With respect to dividends it was recognized in all quarters that there would have to be some equilibrium between a moderation in the payment to shareholders and the necessity for the private sector and for companies to remain attractive enough to attract investment, that being badly needed to sustain the momentum of the economy. There are no clear answers to that, but that certainly is a subject which is open for discussion.

INFLATION—METHOD OF ENFORCING INCOME CEILING FOR PROFESSIONALS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that multinational corporations can manipulate their costs by paying larger amounts to their parent companies, it seems to me that that is no answer. How does the minister propose to make effective the $2,400 ceiling of income increases for professional people? If a doctor, lawyer or real estate promoter makes an additional $10,000 instead of $2,400, what restraint on that individual is there, or is this merely a piece of window dressing to make the wage restraint more attractive to the person who signs a collective bargaining agreement.

Hon. John N. Turner (Minister of Finance): The hon. gentleman is, of course, referring to some of the items set forth yesterday in the statement by the Canadian Labour Congress. A good many of those items reflect the current thrust of government policy. A good many of the items, however, as in the case of professional fees and rents and probably in certain respects, land speculation, fall under provincial jurisdiction and could only be enforced either by firm provincial commitment, or as the paper seems to imply, by the federal government using mandatory power under the peace, order and good government clause. That is a subject, of course, which needs firm provincial commitment.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The minister certainly answered my question and demonstrated that the proposed restraints on professional groups is pure window dressing. In view of the fact that the wages and salaries of workers in organized trade unions will be binding by virtue of collective bargaining agreements which they signed, am I to take it from the minister's reply that the only groups in the country upon whom there will be any binding restraints are those who sign collective bargaining agreements, and that really any

other restraints upon either corporation profits or upon the income of professional groups are simply wishful thinking on the part of the minister?

Mr. Turner (Ottawa-Carleton): No, sir, I deny that categorically.

* * *

[*Translation*]

NATIONAL REVENUE

ALLEGED SEIZURE OF DOCUMENTS FROM OFFICE OF CREDITISTE PARTY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I want to put a question to the Minister of National Revenue, and I think it will be of interest to all parties in the House.

Yesterday I called the minister on the phone to inform him of an incident that took place yesterday morning at our office in Rimouski. An official of his department broke in and seized all papers in our possession concerning our operations which are legal under the present elections act. Did the minister authorize such a search and, if so, under what section of the act?

[*English*]

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, those records were obtained under a director's requirement, and ministerial seizure was made, so I would have to confirm under which precise section of the act.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question.

Could the minister say whether, for instance, certain provisions of the act authorize such investigations here at the present time, and whether similar action is being taken with regard to the Liberal, Progressive Conservative and New Democratic Parties, in order to get hold of their records concerning their respective electoral funds?

● (1420)

[*English*]

Mr. Basford: Mr. Speaker, there is authority in the act to examine the affairs of any taxpayer and to make seizures relative to inquiries about taxpayers, so the answer is yes.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I have a supplementary.

The minister says that civil servants are authorized under the act to check the data of ordinary taxpayers. But since when are electoral funds subject to the Income Tax Act? I wish to point out to the minister that yesterday morning we authorized his official to investigate in our offices but not to seize the papers and bring them to Quebec City. That is what I object to, and I ask the minister whether he is prepared to give instructions to his department to have our records returned immediately.

[*English*]

Mr. Basford: Mr. Speaker, since the hon. member telephoned me yesterday I have been endeavouring to get a report from my department so that the inquiry could be conducted in the offices that the hon. member speaks of, and so that the operation of his political party would in no way be interfered with.

* * *

EXTERNAL AFFAIRS

AMOUNT OF CIDA LOAN TO CUBA—SUGGESTION INTERVENTION OF MINISTER OF FINANCE CAUSED CIDA TO MISLEAD PUBLIC

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Fairweather: I am glad to afford the right hon. gentleman an opportunity to be welcomed by his colleagues and the rest of us.

Mr. Turner (Ottawa-Carleton): What about the House?

Mr. Fairweather: I said the rest of us. The Minister of Finance is sensitive.

An hon. Member: Maybe he has good reason to be.

Miss MacDonald (Kingston and the Islands): He didn't get a welcome.

Mr. Fairweather: Perhaps Mr. Speaker would like me to proceed with the question. In light of reports and documents which indicate that the total amount of funds involved in CIDA's arrangements with Cuba will be about $20 million rather than the previously disclosed $10 million, will the Prime Minister state that the amount in fact is $20 million that Cuba is expected to receive?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, if I may be permitted—

Mr. Fairweather: I didn't welcome you back!

Some hon. Members: Hear, hear!

Mr. Sharp: I was going to explain that the same question was raised yesterday on a question of privilege. I have had some investigations made and I can answer very briefly that the amounts disclosed by CIDA were the amounts authorized. There was no concealed amount. I think it would be better if this question could be pursued where an adequate explanation could be given, however.

Mr. Fairweather: A supplementary question. Did the intervention by the Minister of Finance into the Cuban proposals causing the loan to be changed from an interest free one to one bearing 3 per cent interest force CIDA into a tactic of attempting to mislead the public on this whole issue?

Mr. Sharp: Mr. Speaker, the answer is no.

Oral Questions

ALLEGATION FOOD AID NOT REACHING THOSE IN NEED—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question for the Prime Minister is a supplementary in the area of developing countries. Is the Prime Minister aware that of the total amount of food donated by Canada last year to developing nations, 80 per cent was sold to local people and only 20 per cent given, which means in effect that Canadians are subsidizing people who can afford to buy food and is not reaching those we most want to reach, the destitute?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Roche: A supplementary question. May I ask the Prime Minister if he will take steps to stop this misrepresentation to the Canadian people who are under the impression that food donated by Canada is given, not sold, to local peoples? Also, will he assure the House that the one million tons of food pledged by Canada at the World Food Conference for the next three years will be given to the people of developing countries and not sold.

Mr. Trudeau: Mr. Speaker, I will try to ascertain whether in fact there was misinterpretation or misrepresentation, and who made it.

* * *

COMMONWEALTH CONFERENCE

INQUIRY WHETHER RECOMMENDATIONS OF CONFERENCE WILL LEAD TO LEGISLATIVE ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, first, I want most sincerely to welcome to this House again, after an absence that was deeply felt, the Prime Minister. I say that in all sincerity.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Having some knowledge of Commonwealth prime ministers' conferences, I ask the Prime Minister whether he, on behalf of the government, intends to bring before the House for implementation any of the recommendations that were made, as contained in the communiqué. I realize, of course, that there is nothing binding that requires them to be produced here, and that the recommendations are just that, recommendations? I am wondering whether as a result of this conference, important as it was, any particular phase of activity or change, organizational or otherwise, will be brought before this House for implementation.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for welcoming me back. He, having attended these conferences himself as Prime Minister, understands well the comradeship which prevails at these meetings. I am glad to be welcomed by my comrade, the right hon. gentleman from Prince Albert.

Some hon. Members: Hear, hear!

[Mr. Sharp.]

Mr. Trudeau: I do intend to table the communiqué, Mr. Speaker, and would have done it today, but the French translation was not quite finished. I intend to table it tomorrow, so that the House will be able to take official notice of what was transacted there. As the right hon. gentleman suggested in his question, the Commonwealth is not a decision-making body and I would have difficulty stating that every aspect of the communiqué will be before the House by way of some decision which the government will implement. Certainly, the policies which flow from the Canadian position at the Jamaica conference will result either in policy statements or legislative action, or in executive action which I am sure the House will have the opportunity to examine and criticize, if necessary.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. I appreciate that comradeship which has always characterized relationships between members of parliament. I ask the Prime Minister whether he would mention specifically one or two matters which will require implementation? I have read the communiqué and wonder if it is composed of generalities which are not to be implemented in any way by legislative enactment.

Mr. Trudeau: Mr. Speaker, I would gladly answer a question on the specifics the right hon. gentleman has in mind, but I am not quite sure to which few areas he is referring.

Mr. Diefenbaker: There are six matters.

* * *

COMMUNICATIONS

CABLEVISION—ALLEGED THREAT OF UNITED STATES STATIONS TO PREVENT RECEPTION OF THEIR PROGRAMS IN CANADA

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, may I direct my question to the Acting Secretary of State for External Affairs? Has our government been in touch with the United States, to indicate our displeasure at proposed plans of American Buffalo border stations to jam their own signals and prevent their reception either in Hamilton or Toronto? These stations plan to do this if the Canadian government goes ahead with its policy requiring the deletion and substitution of commercial spaces in American programming received by Canadian cable companies in Canada.

Hon. Mitchell Sharp (Acting Secretary of State for External Affairs): Mr. Speaker, like the hon. gentleman, I have heard reports of this kind. We have had no occasion, of course, to protest or take action of any kind, even if we thought this was desirable, because nothing has as yet happened.

Mr. Beatty: A supplementary question, Mr. Speaker. In view of the impasse to which present procedures have led, does the cabinet approve CRTC policy which requires Canadian cable casters to strip or delete commercials from American programs received in Canada? Is this strictly the policy of the CRTC or is it something of which the

cabinet has approved? Perhaps the Prime Minister might reply.

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of the question on behalf of the Minister of Communications. I must say I was not aware of this subject of jamming to which the hon. member refers.

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INDUSTRY

MICROSYSTEMS—POSSIBILITY INDEPENDENT ADVICE SOUGHT BEFORE COMPANY PERMITTED TO CLOSE

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. In view of the fact that Northern Electric's decision to shut down Microsystems semiconductor operations will cost the Canadian taxpayer something in the neighbourhood of $30 million to $31 million, and since there are people in the semiconductor field who disagree with Northern Electric's reasons for shutting Microsystems down, will the minister tell the House whether or not he sought independent advice on that matter or did he accept the company's opinion only? If he did seek independent advice, will he indicate from where that advice came?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we did not shut down Microsystems.

Mr. Saltsman: Mr. Speaker, the minister seems to be ignoring the question I am putting to him. While it is true that the government did not shut down Microsystems directly by any statement on the part of the government, by standing aside and letting Northern Electric do as it pleases, it effectively shut it down.

Some hon. Members: Oh, oh!

POSSIBILITY OF CHANGE IN METHOD OF EVALUATING PROSPECTS OF COMPANIES RECEIVING GRANTS

Mr. Max Saltsman (Waterloo-Cambridge): I have a supplementary question for the minister. In view of the unhappy experience with Microsystems, which the government did not shut down on its own, is the government working out new ways of evaluating the prospects of companies to which loans or grants are given and, if so, what changes are taking place?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this is a question of continuous evaluation. There are many different programs and projects which my department is supporting. They are under constant evaluation.

Mr. Saltsman: While there are many evaluations, none of which seem to have worked, can the minister indicate whether he has come up with one single evaluation in which we can have some confidence?

Mr. Speaker: Order, please.

THE CANADIAN ECONOMY

INFLATION—INQUIRY WHETHER GUIDELINES ON RESTRAINT SUBMITTED TO CAPITAL AND MANAGEMENT REPRESENTATIVES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Finance. As labour in the form of the Canadian Labour Congress has indicated very clearly that it rejects the propositions of the government for consensus unless very strict controls are placed on the operation of capital and management, has the government submitted to those who speak for the capital and management side of the economy working papers to examine on this very important proposition, such as organized labour were given? If so, when and when is an answer expected from the capital and management side on this important matter?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is my understanding that the discussion papers were also distributed on the management side during the past two weeks in the course of discussions with the technical groups that we set up, to which I referred earlier in the week in response to the hon. Leader of the Opposition.

Mr. Hees: Can the minister indicate very briefly who those representatives of business are the government considers speak for business and capital in this matter?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there is a representative list. Obviously, no one comes with a particular mandate for the business community generally, neither to a certain degree does the Canadian Chamber of Commerce or the Canadian Manufacturers' Association on the other side. The Canadian Labour Congress has only persuasive power over its constituent unions.

Mr. Hees: Can the minister indicate very briefly from whom he is awaiting a reply on the management side?

Mr. Speaker: Order, please.

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PUBLIC SERVICE

REASON TEN NURSES SENT HOME FROM MEDICAL CENTRE, OTTAWA—REQUEST FOR ACTION TO GRANT WAGE PARITY

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the President of the Treasury Board on one of my favourite subjects, federal nurses. Was it the decision of the Treasury Board to send home ten nurses from the National Defence Medical Centre this morning, which nurses had been on strike yesterday, as a means of breaking the strike?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the Treasury Board does not give such instructions. We do not administer hospitals, but the Department of National Health and Welfare does. Nothing has been reported to me that seems abnormal.

[*English*]

Mr. Nielsen: Mr. Speaker, I did not get the tail end of the reply from the translator. The minister might reassure the House by saying that these nurses will be taken back on strength and the impression will not be left that it was a strike breaking move on the part of Mr. Fothergill. When giving that assurance, perhaps he might inform the House that something is being done with regard to federal hospitals at Camp Hill in Halifax, Camsell in Edmonton and throughout the Yukon with regard to bringing the wages of nurses in these jurisdictions under the federal employ up to parity.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I said in this House yesterday that a conciliation board has submitted an unanimous report. The union representative, the government representative and the conciliator have reached the same conclusion. The basis of the agreement was that parity should be given up to the amount paid to people in the provinces; this is exactly what the conciliation board tried to do.

[*English*]

Mr. Nielsen: Mr. Speaker, the minister overlooked the portion of my question asking for assurance that the ten nurses who were told to go home this morning from the National Defence Medical Centre will be taken back.

[*Translation*]

Mr. Chrétien: Mr. Speaker, as far as I understand what happened, a number of patients had to be turned away yesterday. There was no work for the nurses this morning. When the patients are back, the nurses can go back to work, of course.

* * *

[*English*]

FISHERIES

LOBSTER—REQUEST TO MOVE SEASON FROM APRIL 20 TO MAY 5 AND RECONSIDERATION OF REPORT OF 1974 COMMITTEE ON ICE DAMAGE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of State (Fisheries). As has happened in the past few years, ice conditions persist in the Gulf of St. Lawrence and there has been a delay in the opening of the lobster season. Is the minister prepared to take the necessary action to move up the lobster season from April 20 to May 5, as is the wish of the majority of fishermen?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I will be very happy to look into this matter. Wherever possible I will be as flexible as the regulations permit. I would say to the hon. member the problem is that in those ports that are ice free, the men want to go fishing. There was a recent problem in New Brunswick where there were conflicting views among fishermen in the same district. However, I am quite willing to be flexible.

Mr. Marshall: While the minister is looking into that problem, will he also look into the fact that ice damage reports from 1974 indicate that the federal-provincial committee were lax in their duty in declaring the zones which would be eligible for compensation. Will the minister look at those reports and consider the decision made last year in order that those zones that were excluded may be given consideration for inclusion?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I will look into this. If there is anything I can do to remedy obvious unfairness, I will do it.

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AGRICULTURE

HOGS—POSSIBILITY OF PAYMENTS TO PRODUCERS UNDER ASSISTANCE PROGRAM—SUGGESTED CHANGE FROM FIVE TO TWO YEAR AVERAGE AS BASIS FOR ASSISTANCE

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Minister of Agriculture. Now that the period for assistance to hog producers is over, as announced last year by the minister, can he advise whether there will be any payment to producers because they have had substantial losses during that time?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the average price that hog producers received for that period exceeded the support price by approximately $5.96 per hundred. Therefore, there will be no payment.

Mr. McKinley: Is the minister prepared to admit that the basing of feed costs on the last five year average almost guaranteed there would be no payment because feed costs in the last two years alone almost doubled? Is the minister now prepared to do a re-assessment of this program for the past year, basing it on average feed costs for the past two years?

Mr. Whelan: Mr. Speaker, the current legislation presently before the Standing Committee on Agriculture will allow us to do that very thing. It will allow us to use current costs.

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THE CANADIAN ECONOMY

INFLATION—VIEW OF BUSINESS AND LABOUR ON NECESSITY TO MAINTAIN CANADA'S COMPETITIVE TRADE POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of Finance. Considering that the Department of Finance Review for 1974 notes that labour costs per unit of output are rising more rapidly in Canada than in the United States, and this has in practical terms become painfully apparent and has already seriously affected the lumber and pulp commodity groups as well as other industries, did the minister discuss the need to maintain Canada's competitive trade position in his consensus talks with business and labour, and were the spokesmen he talked to willing to concede the importance of Canada's competitive position?

● (1440)

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I said to both labour and business representa-

tives during the course of the last two months that I felt time was running out—that our competitive position was continuing, and does continue, to deteriorate and that the situation must be reversed unless we are to suffer a massive loss of jobs in this country. I said the government was committed to bringing prices and production costs into a competitive posture—into a range within which we can compete in world markets and defend our own markets. This view was shared by leaders of both labour and business.

Mr. Oberle: Is the minister prepared to endorse the downward float of the Canadian dollar as a mechanism to compensate for high Canadian labour costs per unit of output?

Mr. Turner (Ottawa-Carleton): That would be a short term palliative indeed because it would expose us to higher import costs; we would be going down a steadily declining slope.

* * *

TRADE

ARAB BOYCOTT OF COMPANIES TRADING WITH ISRAEL—GOVERNMENT POSITION

Mr. John Roberts (St. Paul's): Mr. Speaker, my question is directed to the Prime Minister. Having regard to reports that 150 Canadian companies have been placed on a boycott list by the Arab boycott office in Damascus because they have Jewish directors or because they trade with Israel, will the Prime Minister assure the House that the imposition of trading restrictions on the basis of racial, religious or ethnic factors is repugnant to Canada and that Canada will look with disfavour on countries and companies which implement trade discrimination on this basis?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I can say that the government is opposed to any such kind of discrimination, particularly the kind mentioned by the hon. member. I have not had time to look into the facts upon which the allegation is based; perhaps some other minister has. If not, I will look further into the matter and discuss it further with the hon. member.

Some hon. Members: Hear, hear!

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EXPORT DEVELOPMENT CORPORATION

REQUEST FOR REPORT ON REVIEW OF CLAUSE BOYCOTTING TRADE WITH ISRAEL

Mr. Peter C. Bawden (Calgary South): On April 28, the Acting Prime Minister stated in the House that the Minister of Industry, Trade and Commerce had instructed the Export Development Corporation to review the Arab boycott clause as it applies to both insurance and direct lending operations. I should like to ask the Minister of Industry, Trade and Commerce whether he has issued any such policy directive to his department and to the Export Development Corporation with regard to government involvement with export companies which agreed to boycott Israel and, if so, what is the nature of that directive?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): I think government spokesmen have made it clear to the business community, to countries abroad and to the EDC itself that the government does not support or condone discriminatory measures of this kind.

Mr. Bawden: But no directive has been issued?

Mr. Gillespie: I have asked the president, and the board of directors, which will be meeting next week, to consider their practices in the light of this policy.

Mr. Bawden: A supplementary to the Prime Minister. Has the cabinet considered and drafted a directive covering all agencies and departments of the government concerning this important matter and, if not, is one now being prepared?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I think it is sufficient to say that this type of practice is alien to everything the government stands for and, indeed, to what in general, Canadian ethics stand for, and I would hope that no specific directive is necessary. Action of the type referred to by the Minister of Industry, Trade and Commerce is, of course, warranted when special rumours attach to any particular agency.

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[*Translation*]

COMBINES

APPOINTMENT OF PRESIDENT OF PETROFINA TO COMMISSION—POSSIBLE CONFLICT OF INTEREST

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Prime Minister.

As a result of the appointment of Mr. Pierre Nadeau as one of the three members of the inquiry commission on corporations, and as Mr. Nadeau is, among other things, president of Petrofina Canada Ltd., a multinational company, does the Prime Minister not fear that there may be a very serious conflict of interest that would make the commissions's objectivity questionable?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the three member commission was appointed quite deliberately with the intention that several points of view would prevail in the study of that very difficult question. We wanted specifically that someone who is well versed in that field of business be a member of the tribunal.

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HARBOURS

POSSIBLE CONSTRUCTION OF PORT AT GROS CACOUNA—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct to the hon. Minister of Transport a question con-

cerning the famous construction project of a port at Gros Cacouna.

Can the Minister advise the House of the progress of the negotiations with the province of Quebec, and whether an analysis has been made by him on the very special role such a project would have at Gros Cacouna?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there have been no negotiations on that matter with the Province of Quebec, only discussions. With the Cabinet's permission, I hope to make public in the near future a global policy for ports in Canada. This will not deal only with Gros Cacouna, but also with Halifax, St. John's, Sept Iles, Port Cartier, Quebec City, Trois-Rivieres, Montreal and so on. We shall try to find the perfect balance, so that the cost for shipping our goods will be satisfactory and that ports will not strangle each other.

* * *

[*English*]

NATIONAL DEFENCE

ALLEGED RELEASE OF PATIENTS FROM OTTAWA MEDICAL CENTRE AS RESULT OF NURSES' STRIKE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of National Defence. In view of a report that scores of patients were released from the National Defence Medical Centre yesterday due to a nurses' strike, may I ask what arrangements have been made for the accommodation of those patients who were discharged and who had come from far away points in Canada?

Hon. James Richardson (Minister of National Defence): My information is that the Medical Centre was adequately staffed by the nurses who are part of the regular armed forces—some 70 of them—and that there was no shortage of nurses.

Mr. Scott: Do I gather from the minister's statement that no patients were discharged?

Mr. Richardson: Not to my knowledge, Mr. Speaker, other than those who were able to be discharged because they were well.

Some hon. Members: Oh, oh!

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HISTORIC SITES

ENTRANCE FEE TO LOWER FORT GARRY—REQUEST FOR RECONSIDERATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of Indian Affairs and Northern Development? In view of the fact that the slight adjustments the minister made in admission fees to Lower Fort Garry struck the people of Manitoba as something of an insult, will he reconsider this matter with a sense of history to the end that admission to Lower Fort Garry might be at a very low fee or none at all?

[Mr. La Salle.]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): This is a subject which the hon. member has raised before. We did go part way down the road by making Lower Fort Garry available on a more equitable basis to family visitors, which seemed to be the primary concern. I really do not think we can go any further.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

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CONSUMER AFFAIRS

SUGGESTED INVESTIGATION OF INCREASE IN ENTRANCE FEES TO NATIONAL PARKS

Mr. Craig Stewart (Marquette): My supplementary, Mr. Speaker, concerns entrance fees to national parks and I wish to direct it to the Minister of Consumer and Corporate Affairs. Since increases in entrance fees to the national parks announced by the minister responsible for that department amount to anywhere from 500 per cent to 1,000 per cent, will the Minister of Consumer and Corporate Affairs investigate these huge increases and take action against the Department of Indian Affairs and Northern Development just as he would against any private firm that attempted to impose increases of this size?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I take this question as notice.

[*English*]

Mr. Knowles (Winnipeg North Centre): Why not raise that at ten o'clock, too?

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● (1450)

MULTICULTURALISM

REQUEST FOR APPOINTMENT OF MINISTER

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, in light of the growing interest in multiculturalism in Canada I should like to ask the Prime Minister to indicate to the House when this government intends to appoint a minister whose sole responsibility is multiculturalism?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have the Minister of Labour who is entrusted with this special aspect of policy in Canada. I think the hon. member should not be pressing the government to set up a ministry for every special interest group in Canada.

Some hon. Members: Oh, oh!

Mr. Trudeau: We would have a great deal many more members of Cabinet—

An hon. Member: Keep on.

Mr. Trudeau: I will keep on if you will shut up. Excuse me, Mr. Speaker, that was not directed to Your Worship.

Some hon. Members: Oh, oh!

Mr. Paproski: Mr. Speaker, in view of the fact that more than one-third of Canada's population is composed of people who are not members of the two dominant groups in Canada, does the Prime Minister not consider the needs of this rather large group as being important enough to warrant their own minister and their own ministry?

* * *

IMMIGRATION

ALLEGATION APPEAL BOARD REVERSING DECISIONS OF OFFICERS NOT TO GRANT LANDED IMMIGRANT STATUS—GOVERNMENT ACTION

Mr. Jake Epp (Provencher): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct this question to the Prime Minister. In view of testimony given by officials of the Immigration Appeal Board to the standing committee today that despite rejections by investigative officials of the Department of Manpower and Immigration of applications, which would indicate that a certain number of people should not be granted landed immigrant status but that deportations should be issued, and despite the fact that the Immigration Appeal Board by its record is now reversing eight of every nine cases it hears, will the Prime Minister indicate what safeguards are being considered or being put into place in order that this practice will stop, giving the immigration officers the confidence they deserve?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to have a look at these statements made before the committee. Of course, the Immigration Appeal Board has specific powers and terms of reference which were given to it by this parliament, and as far as I know it has been acting within those terms of reference, and acting on a certain discretion which I think members of parliament generally consider to be very valuable, indeed.

* * *

THE CANADIAN ECONOMY

INFLATION—INQUIRY WHETHER WORKING PAPERS SUBMITTED TO LABOUR SEEKING CONSENSUS ON RESTRAINT HAD APPROVAL OF PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether the papers tabled today, since they hopefully envisage the co-operation of the provinces, carried the approval of the provincial governments before they were sent out?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, these papers are also the basis for current discussions with the provinces.

ENERGY

NATURAL GAS—POSSIBILITY OF AGREEMENT WITH PROVINCES ON USE OF REVENUE FROM INCREASED PRICE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question relates to statements earlier this week about the increases in the prices of export gas and oil. I should like to ask the Minister of Energy, Mines and Resources whether in the talks or agreements with the provinces there were any effective conditions laid down or agreed upon as to the use by the producing provinces of the revenues to be derived directly or indirectly from the higher price of natural gas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir, except that the arrangements made in January with the government of British Columbia concerning the deemed price provisions of the recently passed income tax bill would make some provision for the taxation of the production industry in British Columbia.

NATURAL GAS—REASON FOR DELAY IN ANNOUNCING PRICE INCREASE—ASSURANCE INCREASED REVENUE USED FOR EXPLORATION

Mr. Donald W. Munro (Esquimalt-Saanich): Having specific regard to the case of British Columbia, Mr. Speaker, since the formula for distributing the revenues was made public about two weeks earlier than the announcement in this House, and since no part of the funds under that formula is to be devoted to the search for new sources of natural gas, why was the announcement of the new gas price delayed in this House until this week, and what means does the government now have for ensuring that at least some of those additional revenues shall be devoted to the search for new sources of gas?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am interested in hearing that from the hon. gentleman since he and his colleagues spoke at tiresome length over the last six months on why a province should make its own decisions with regard to its own resources. It is because of our respect for the constitution that we have not imposed those conditions.

Some hon. Members: Hear, hear!

* * *

LABOUR CONDITIONS

REFUSAL OF QUEBEC LONGSHOREMEN TO OBEY BACK-TO-WORK LEGISLATION—REASON FOR FAILURE OF GOVERNMENT TO PROSECUTE

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the substantial damage that has already been done at the St. Lawrence River ports in Quebec, not to mention the damage to the reputation of parliament and the principle of the rule of law and by the failure of the Prime Minister and his colleagues to enforce the law as passed by this parliament, I would ask the Minister of

Labour when we can expect the longshoremen of these Quebec St. Lawrence River ports to obey this law passed by this parliament more than two weeks ago?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, without belittling the problem in terms of parliament, and I do not do that, I would remind the hon. member that when he refers to the rule of law, the rule of law apply to every citizen's right to take the matter to court, and this matter is before the courts today.

Mr. McGrath: Mr. Speaker, I am not denying in any way the right of the stevedores to the due process of law, but I ask the minister why he has not invoked those sections of the bill which allow the government to place charges against those people where it appears in the minister's view there is prima facie evidence? I submit there is prima facie evidence, and my question is why the minister has not invoked those provisions?

Mr. Munro (Hamilton East): Mr. Speaker, I do not know whether the hon. member was in the House yesterday when the right hon. member for Prince Albert asked precisely the same question, which I answered indicating the action the justice officials were taking, but that is the situation as of today. If the hon. member wishes further elaboration, I think it would be appropriate to direct his question to the Minister of Justice.

Mr. McGrath: Mr. Speaker, I would ask the Minister of Justice why Section 17(3) of the act concerning evidence of failure to obey the act has not been invoked, since I submit there is clearly prima facie evidence of the law being disobeyed?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as the Minister of Labour indicated to this House, and as has been indicated before by me, action is being prepared, and today there is a proceeding in the courts in Montreal in connection with an application for an order under Section 16. Other material is being obtained in connection with evidence of personal offences, and charges will be laid as soon as that evidence is obtained. It may come as a surprise to hon. members that what may seem completely and absolutely obvious to them still requires evidence before the law.

Mr. Diefenbaker: You have all the evidence you need but you won't enforce it.

* * *

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR ALL-PARTY COMMITTEE TO SEEK CONSENSUS ON RESTRAINT

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the serious and fragile condition of the economy and the alleged need for a national consensus, will the Prime Minister and his government consider an all-party consideration and negotiation of all matters on which consensus, so-called, is required on an impartial, non-partisan and non-political basis with co-operation and understanding to help restore some stability and confidence in the economy as well as in this parliament immediately before a deep-seated depression results?

Mr. McKinley: Mr. Speaker, I rise on a point of order because of the answer the Minister of Agriculture gave to a question I asked earlier. I asked whether he would give consideration to assisting last year's hog program by using the two-year average feed cost rather than the five. In his answer he said that is what the bill presently before the committee would do, presumably referring to stabilization Bill C-50. My recollection of that bill is that this will be based on the average five-year price previous to stabilization, and 90 per cent of that price.

● (1500)

It seems to me that if there is any assistance coming to the hog producers in this country, this bill should provide for it for the simple reason that the highly touted program of last year did not provide any assistance, even to the producers who had losses. If I am incorrect in that assumption perhaps the minister would so advise.

Mr. Speaker: Order, please. Surely, this is the type of discussion which should be held before the committee when the bill is being discussed.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, may I ask the government House leader if he could confirm the business of the House for the latter part of this week and into next week.

Mr. Sharp: Mr. Speaker, today we will have the opening of the debate on second reading of the bill to be dealt with by my colleague, the Secretary of State (Mr. Faulkner), concerning amendments to the Income Tax Act to cover *Time* magazine, *Reader's Digest*, and so on. As I indicated yesterday, tomorrow will be an allotted day. Perhaps I should take advantage of the occasion to say that Monday, Tuesday and Wednesday of next week will also be allotted days.

Mr. Fairweather: Mr. Speaker, last week I asked especially that my starred question No. 2,284 receive urgent attention. It involves a political colleague of the Philippines who is on a hunger strike and has received the last rites of his church. I hope we can get an early and positive reply before he dies.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 636, 1,676, 1,732, 1,954, 2,035, 2,036, 2,146, 2,175, 2,204, 2,205, 2,255, 2,290, 2,297 and 2,337.

If questions No. 1,373 to 1,440 inclusive, 1,877 and 2,106 could be made orders for return, these returns would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

MARKETING AND DISTRIBUTION OF OLYMPIC COINS

Question No. 636—**Mr. Stevens:**

To assist in the marketing and distribution of Olympic Coins, have marketing executives been hired by the government to act in the following three capacities (a) Chief of Operations and Distribution (b) Marketing Director for Canada (c) a World Traveller and, if so, who are the three executives, what is each of their salaries and expense allowances and what is their past experience, particularly in the financial field?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): (a) The Director of Products and Logistics, Mr. Derek W. Dawson, now receives a salary of $35,190 per annum. Expense allowances are in accordance with the Public Service Travel Regulations. Mr. Dawson has a diversity of experience in retail distribution, marketing and sales, market development and personnel work. He has no formal experience in the financial field nor is such experience required. He was employed in the Marketing Branch of the Canada Post Office prior to his appointment to the Olympic Coin Program. (b) The Director General, Marketing/Canada, Mr. Gerald D. Edge, now receives a salary of $35,190 per annum. Expense allowances are in accordance with the Public Service Travel Regulations. Mr. Edge has a diversity of experience in the organization and planning of national marketing and sales strategies. He also has a diversity of experience in data processing and personnel work. He was employed in the Marketing Branch of the Canada Post Office prior to his appointment to the Olympic Coin Program. (c) The Chief Executive Officer of the program has been employed under the title of Managing Director. The services of the Managing Director, Mr. Austin P. Page, have been obtained under contract with a firm of which he is a partner. The current fees for his services are $66,000 per annum. Expense allowances are in accordance with the Public Service Travel Regulations. Mr. Page has 20 years of diversified experience in commercial financing, corporate planning, business systems, personnel management, government organization, and banking.

Order Paper Questions

RCMP SERVING IN NEW BRUNSWICK

Question No. 1,676—**Mr. Jones:**

1. How many members of the RCMP are serving in the Province of New Brunswick and, of these, how many are (a) unilingual English (b) unilingual French (c) bilingual?

2. (a) How many of those who are bilingual or unilingual have been posted to New Brunswick from outside that Province (b) from what province do they originate?

3. (a) How many RCMP officers in the Province of New Brunswick (i) are taking (ii) have taken language courses (b) how many have been given the opportunity of taking language courses (c) how many have refused (d) how many have been refused promotions because of language?

4. How many (a) unilingual English (b) unilingual French (c) bilingual officers were posted to the Province of New Brunswick for each of the past five years?

5. How many (a) unilingual English (b) unilingual French (c) bilingual officers were transferred or posted out of the Province of New Brunswick for each of the past five years?

6. How many (a) unilingual French (b) unilingual English (c) bilingual officers were promoted for each of the past five years?

7. What are the rules for posting and promotions for RCMP officers for the Province of New Brunswick?

8. What was the percentage of English and French RCMP officers posted to New Brunswick during each of the past five years?

Hon. Warren Allmand (Solicitor General): 1. 487. (a) 325; (b) 30; (c) 132.

2. (a) 417;

(b)	Bilingual	Unilingual
Alberta	2	2
British Columbia	2	2
Manitoba	4	5
Nova Scotia	9	131
Newfoundland	2	53
Ontario	21	46
Prince Edward Island	1	16
Quebec	64	43
Saskatchewan	3	9
Foreign	1	1
	109	308

3. (a) (i) None. (ii) 31 (1970/71 to 1973/74 inclusive). (b) Language courses are available to all members. (c) None. (d) None.

4.	1970	1971	1972	1973	1974
(a)	26	56	38	47	64
(b)	1	3	7	7	9
(c)	26	22	18	30	50

5.	1970	1971	1972	1973	1974
(a)	25	23	28	39	13
(b)	1	2	—	—	2
(c)	16	23	25	6	6

6.	1970	1971	1972	1973	1974
(a)	Nil	Nil	Nil	Nil	Nil
(b)	19	28	10	25	28
(c)	2	1	5	4	8

Order Paper Questions

7. The criteria for determining postings and promotions of Royal Canadian Mounted Police members stationed in the province of New Brunswick are the same as for members stationed anywhere in Canada, i.e. to ensure the best qualified available member is selected, bearing in mind the particular requirements of the position to be filled. Experience, qualifications, length of service and general standards of performance are considered.

8.	1970	1971	1972	1973	1974
Unilingual English	48.67	69.14	60.32	55.96	52.03
Unilingual French	2.66	3.70	11.11	8.33	7.31
Bilingual	48.67	27.16	28.57	35.71	40.65

NOTE: Those shown as unilingual French are members whose mother tongue is French and includes those who have not taken the language knowledge examination as well as those who have failed.

CANADA—NEWFOUNDLAND SUBSIDIARY AGREEMENT—GROS MORNE PARK AREA DEVELOPMENT

Question No. 1,732—**Mr. Marshall:**

1. What are the names and positions of the members of the Management Committee established for the purpose of overseeing implementation of those projects specified in Section 3 of the Canada-Newfoundland Subsidiary Agreement "Gros Morne Park Area Development"?

2. Under project description II, "Community infrastructure", of the Canada-Newfoundland Subsidiary Agreement "Gros Morne Park Area Development", what is the status of the following projects (a) Rocky Harbour water and sewer systems, $3,630,000 (b) Rocky Harbour residential lots (50 serviced lots), $198,000 (c) Norris Point/Neddy's Harbour water and sewer system, $1,760,000 (d) Norris Point residential lots (25 serviced lots), $110,000 (e) Cow Head/St. Paul's water and sewer systems, $1,320,000 (f) Cow Head residential lots (20 serviced lots), $77,000 (g) Trout River water and sewer system, $880,000 (h) Woody Point water extension and sewer system, $440,000 (i) solid waste disposal study and construction (all enclaves), $253,000?

3. Under Section III, Road Construction, of the Canada-Newfoundland Subsidiary Agreement "Gros Morne Park Area Development", what is the status of the following projects (a) access road from Highway 73 to Rocky Harbour and Norris Point (2 miles), $495,000 (b) Highway 73 reconstruction, 8 miles from St. Paul's to Shallow Bay, $2,090,000 (c) Route 44, upgrading 0.7 miles Woody Point to Park boundary, $121,000 (d) Route 44, upgrading 1.2 miles from Park boundary to Trout River, $220,000 (e) road construction, 10 miles Norris Point to Neddy's Harbour, $2,530,000 (f) bridges (Glenburnie to Woody Point), $385,000?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Management Committee members: (a) Mr. J. R. Baker (Federal Co-Chairman), Manager, Program Implementation DREE, St. John's, Newfoundland; (b) Mr. D. Peckham (Provincial Co-Chairman) Coordinator, Gros Morne Park Authority, Department of Forestry and Agriculture, St. John's, Newfoundland; (c) Mr. H. Clarke, Director of Government Services Policy, Planning and Priorities Secretariat, Executive Council, St. John's, Newfoundland (d) Mr. J. Vollmershausen, Superintendent, Gros Morne National Park, Department of Indian and Northern Affairs, Rocky Harbour, Bonne Bay, Newfoundland.

[Mr. Allmand.]

2. Under project description II, "Community Infrastructure" of the Canada/Newfoundland Subsidiary Agreement "Gros Morne Park Area Development", the present status of each of the projects is as follows: (a) Rocky Harbour water and sewer systems: Contract awarded in the amount of $3,105,014. Amount spent to date is $912,499. (b) Rocky Harbour residential lots: design completed. (c) Norris Point/Neddy's Harbour water and sewer system; Contract awarded, $2,140,601. Amount spent: $1,299,568. (d) Norris Point residential lots: design completed. (e) Cow Head/St. Paul's water and sewer system: Contract awarded, $755,-139; Amount spent to date is $731,725. (f) Cow Head residential lots: design completed. (g) Trout River water and sewer systems: design work almost completed. (h) Woody Point water extension and sewer system: design work in progress. (i) Solid Waste disposal study and construction: engineering work in progress. Rocky Harbour/Norris Point area under construction.

3. Under section III, Road Construction of the Canada/Newfoundland Subsidiary Agreement "Gros Morne Park Area Development", the status of each project is as follows: (a) Access roads from Highway 73 to Rocky Harbour and Norris Point: Completed. (b) Highway 73 Reconstruction: Contract awarded, $1,074,249. Amount spent, $250,000. (c) Route 44 upgrading: not started. (d) Route 44 upgrading: not started. (e) Road reconstruction: completed. (f) Bridges: material purchased.

NATIONAL DEFENCE—CONTRACT FOR BRIDGE ERECTION BOATS

Question No. 1,954—**Mr. Reynolds:**

1. Was a contract awarded to John Misener Marine Equipment Ltd. of Port Colborne, Ontario for bridge erection boats costing $151,874?

2. What is the intended use of such boats?

3. (a) What are the long-term plans for such vessels (b) what is the necessity of the purchase?

Hon. James Richardson (Minister of National Defence): 1. Yes.

2. To assist in the construction of military floating bridges and to propel rafts of all types.

3. (a) The vessels will be used as bridge erection boats by military engineers in several locations throughout Canada. (b) The purchases were necessitated by the need to replace obsolete equipment.

DREE—SUPPORT OF ECONOMIC DEVELOPMENT, NEWFOUNDLAND

Question No. 2,035—**Mr. Marshall:**

Is the need for support of economic development in (a) Corner Brook (b) Stephenville (c) St. George's harbour developments under study and, if so, what are the terms of reference?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The Department of Regional Economic Expansion, in co-operation with other federal departments and agencies, and

with provincial governments, carries out a continuing analysis of economic circumstances and opportunities in each province for the purpose of identifying developmental possibilities wherever they may be found in a province. In addition to this continuing analysis, specific studies of various kinds are undertaken from time to time. One that is currently underway is the "Corner Brook Harbour Development Study". The objectives of this study are to: (i) establish the short-term needs and the long term potential for the development of the Corner Brook Harbour area; (ii) identify the development potential of both the private and public sectors; (iii) present a staged master development plan with economic justification, and with firm recommendations for decision making. There are no specific studies currently underway relating to Stephenville or to St. George's harbour.

STUDIES ON FUTURE NEEDS OF PROVINCIAL DISTRICTS—NEWFOUNDLAND

Question No. 2,036—**Mr. Marshall:**

With reference to the General Development Agreement between the federal government and the Government of Newfoundland, what studies are being done with regard to the future needs of the following provincial districts in (a) Humber East (b) Humber West (c) St. George's (d) Port au Port (e) St. Barbe South (f) St. Barbe North?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The Department of Regional Economic Expansion, in co-operation with other federal departments and agencies, and with provincial governments, carries out a continuing analysis of economic circumstances and opportunities in each province for the purpose of identifying developmental possibilities wherever they may be found in a province. In addition to this continuing analysis, specific studies of various kinds are undertaken from time to time. Specific studies now underway are: (i) Corner Brook Harbour Development Study; (ii) Tourist development in the St. Barbe South area; (iii) Regional planning and land use (Deer Lake to park boundary); (iv) Development for inshore sports fishing. The latter three specific studies are being carried out as part of the Gros Morne Park Area Development Subsidiary Agreement. There are no specific studies currently underway relating to St. George's or Port au Port.

RESEARCH PROGRAMMES—AGRICULTURAL AND VETERINARY FACULTIES

Question No. 2,146—**Mr. Herbert:**

1. Was consideration given to increasing the funds for research programmes in agricultural and veterinary faculties in Canada as part of the programme to assist the underdeveloped countries to improve their production and management of food products?

2. How many foreign students are presently enrolled in Canada in agricultural and veterinary faculties?

3. What action is being considered to enable the faculties to plan long-range research?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Agriculture Canada, the Canadian International Development Agency and the Department of Manpower and Immigration as follows: 1. Since 1971, including fiscal 1975/76 CIDA has channelled $1.5 million through the IBRD/UNDP/FAO sponsored Consultative Group on International Agricultural Research for research identified by the group sponsored centers and done in Canadian universities.

2. There are at present 192 students sponsored by CIDA for study in Canada in agricultural and veterinary faculties. In so far as the Department of Manpower and Immigration is concerned, the number of all foreign students in Canada is recorded by academic institution rather than by faculty. A response to this question is therefore not possible.

3. A proposal is under study by CIDA. In so far as Agriculture Canada is concerned, consideration is being given to the expansion of the grants program and to the expansion of contract research, with significant portion going to universities.

REDUCTION OF MULTIPLICITY OF FORMS FILLED OUT BY SMALL BUSINESSES

Question No. 2,175—**Mr. Hnatyshyn:**

Is the government giving consideration to reducing the multiplicity of forms and paper work that must be filled out by small businesses for various departments and agencies?

Hon. Mitchell Sharp (President of the Privy Council): There is a constant review of forms throughout the government.

NATIONAL DEFENCE—INSTALLATION OF CABLE TELEVISION AT CFB MOOSE JAW

Question No. 2,204—**Mr. Benjamin:**

Have coaxial cables been placed for cable television service at CFB, Moose Jaw, either in the administration area or private married quarters and (a) if so (i) on what date (ii) at what cost (iii) who did the installation (b) if not, have discussions taken place for the installation of such cable?

Hon. James Richardson (Minister of National Defence): No. (a) Not applicable. (b) Discussions are taking place between the municipality and the province, but the Department of National Defence is not involved.

NATIONAL DEFENCE—HIRING OF TEACHERS

Question No. 2,205—**Mr. Howie:**

In each fiscal year commencing April 1, 1970 (a) how many persons in the Province of (i) Ontario (ii) Quebec (iii) Newfoundland (iv) Nova Scotia (v) New Brunswick (vi) Prince Edward Island were hired by the Director of Dependents Education, Department of National Defence, as teachers for children of Armed Forces personnel in Department of National Defence schools (b) how many applications were received from teachers in each such Province?

Hon. James Richardson (Minister of National Defence): (a) i, ii, iii, iv, v, vi, and (b). Only teachers for employment at Department of National Defence dependents schools in Europe are selected and hired by the Director of Dependents Education. The information requested is contained below.

Order Paper Questions

Selection of Teachers for DND Schools in Europe
1970—1975

	1970		1971		1972		1973		1974		1975	
	Number of applicants	Number of teachers selected	Number of applicants	Number of teachers selected	Number of applicants	Number of teachers selected	Number of applicants	Number of teachers selected	Number of applicants	Number of teachers selected	Number of applicants	Number of teachers selected
Ontario	(Figures not available)	40	301	61	413	29	389	45	485	31	676	(Figures not yet available)
Quebec		21	122	7	240	19	169	19	181	26	320	
Newfoundland		0	3	0	23	0	5	0	16	1	15	
Nova Scotia		4	18	3	57	0	20	0	31	2	73	
New Brunswick		0	18	1	33	1	11	1	36	1	32	
Prince Edward Island		2	0	0	3	0	4	0	6	0	2	

FLOOD PREVENTION STUDIES

Question No. 2,255—**Mr. Howie:**

Is it the intention of the government to assist provinces in financing studies or taking other measures to prevent flooding in areas subject to repeated and frequent flooding?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): The government has approved a national flood risk mapping program to be carried out jointly with the provinces. Accords will be developed with each province to share the cost of this mapping, and to develop appropriate strategies to reduce potential flood damage in flood-sensitive locations. Once the flood risk is clearly identified the federal and provincial governments will implement a program to discourage further development in the threatened areas. The government will continue to participate in traditional flood control programs and studies, such as those conducted under the Canada Water Act Agreements, Agricultural and Rural Development Act programs, and Special Agreements. Since 1965 the federal government has committed more than $84 million in structural flood protection works, in cost-shared programs with the provinces. Steps are also being taken to improve flood forecasting, flood warning and emergency measures in cooperation with provincial authorities.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—ANNUAL SALARIES OF EMPLOYEES

Question No. 2,290—**Mr. Gauthier (Roberval):**

How many persons employed by the Department of Indian Affairs and Northern Development are paid an annual salary (a) over $50,000 (b) from $45,000 to $50,000 (c) from $40,000 to $45,000 (d) from $35,000 to $40,000 (e) from $30,000 to $35,000 (f) from $25,000 to $30,000 (g) from $20,000 to $25,000 (h) from $15,000 to $20,000 (i) from $10,000 to $15,000 (j) under $10,000?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) None; (b) None; (c) Four; (d) Two; (e) 35; (f) 161; (g) 462; (h) 1,329; (i) 2,928; (j) 4,228.

TRANSPORT—CONTRACT FOR JANITOR SERVICE AT MONCTON AIRPORT

Question No. 2,297—**Mr. Jones:**

1. What firm has the contract for janitor service at Moncton Airport?

[Mr. Richardson.]

2. Who are the owners, directors, officers and shareholders of the firm?

3. What wages are paid to its employees in Moncton?

4. What is the statutory minimum wage for such work?

Hon. Jean Marchand (Minister of Transport): 1. Jet Janitor Services Ltd. are the present cleaning contractors at Moncton Airport.

2. This firm's officers are: President, Leo Bruce; Secretary, Henrietta Bruce; Director, John Bruce; Incorporated as a private firm under the Provincial Companies' Act.

3. The wage rate paid to their Moncton Airport employess is $2.20 per hour (in addition a monthly travel allowance of $25 is paid to one employee and $75 to another employee).

4. The present statutory minimum wage rate for this work is $2.20 per hour (federal) and $2.15 per hour (provincial).

TRANSPORT—ASSISTANCE TO OLYMPIC GAMES

Question No. 2,337—**Mr. Schumacher:**

1. What plans have been made, or are being made, by the Department of Transport to provide assistance in connection with the Olympic Games in Montreal in 1976?

2. Will personnel in addition to the normal numbers now employed in the locations where the Olympic events will be staged, be used and, if so, in each case (a) how many persons will assist (b) what positions will such persons hold (c) what services will they perform (d) what salaries will be paid (e) will such persons be seconded from other locations where they are on staff (f) will additional staff be hired?

3. What additional transportation plans are being made to handle travel of (a) athletes (b) visitors to and from event location sites and, in each case, what (i) is the nature of such transportation (ii) the projected cost?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport is planning to provide coast guard cutter support, channel buoys and advice on regulatory requirements for the yacht races which will be held near Kingston, Ontario. No special plans to provide assistance in Montreal have been made, or are envisaged by the Ministry of Transport.

2. No additional Ministry of Transport personnel will be employed in the locations where the Olympic events will be staged.

3. This is the responsibility of the Organizing Committee of the XXIst Olympic Games (COJO).

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRAIN—ELEVATORS AND DELIVERY POINTS

Question No. 1,877—**Mr. Mazankowski:**

1. For each CP delivery point (a) Musidora (b) Morecambe (c) Beauvallon (d) Myrnam (e) Slawa (f) Derwent (g) Clandonald (h) Rusylvia (i) Dewberry (j) Hazeldine (k) Marwayne (l) Streamstown (m) Staplehurst (n) Lloydminster how many (i) elevators (ii) elevator operators are there?

2. What is the total elevator capacity at each point?

3. For each year 1970 to 1974 and for each delivery point, how many (a) bushels of wheat, barley, oats, rapeseed, flaxseed including durum, were shipped (b) carloads does this represent?

4. For the same years and delivery point, how many (a) tons of freight by classification, excluding grain, were shipped in and out (b) carloads does this represent?

5. For the same years and delivery point, what was the (a) total revenue (b) average revenue per ton mile (c) average per ton mile revenue, excluding tons shipped under statutory rates?

Return tabled.

ENGLISH LANGUAGE INSTRUCTION

Question No. 2,106—**Mr. Cossitt:**

What are the names, addresses and occupations of all persons who have received English language instruction at public expense since January 1, 1972?

Return tabled.

[*Editor's Note: For answers to questions Nos. 1,373 to 1,440 inclusive, see Appendix A.*]

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

Mr. Paproski: I rise on a point of order, Mr. Speaker. These questions are so important to many people in Canada that I would appreciate having the unanimous consent of the House to have them printed as an appendix to today's *Hansard*.

Mr. Speaker: It has been suggested that the questions enumerated by the parliamentary secretary on which returns have been made be considered as though the answers had been read, and appended to *Hansard*. I am holding them now. I wonder whether the hon. member for Edmonton Centre (Mr. Paproski) realizes the gravity of the problem.

Mr. Paproski: I did not realize there were so many, and I withdraw my request.

Mr. Fairweather: Mr. Speaker, I want to apologize to the parliamentary secretary. I was not in the House yesterday at the time the question was answered, and I thank him for the answer.

Mr. Cossitt: Mr. Speaker, I rise in respect of questions Nos. 2,315 and 2,316. These questions ask for information in respect of the free passes of Air Canada, and whether the members of families of cabinet ministers have such passes. These two questions have only been on the order paper since April 17, but in essence they are somewhat like a question I had on the order paper for about four months, the answer to which really was not an answer. Although these two questions have been on the order paper only since April 17, those concerned have had sufficient notice of them and I think I am due an answer. If there are those who are freeloading on the taxpayers of Canada in respect of Air Canada, I believe we have a right to know this.

Mr. Speaker: Order, please.

Mr. Clark (Rocky Mountain): Mr. Speaker, I should like to draw attention to starred question No. 2215 which has been on the order paper since April 7, a little longer than a month. It deals with expensive odysseys by members of the Canadian Broadcasting Corporation, and we would like an answer as soon as possible.

Mr. Speaker: Order, please.

Mr. O'Sullivan: I rise on a point of order. Mr. Speaker. While we are dealing with the matter of starred questions, I am wondering if we may have a reply to my questions Nos. 1,738 and 1,739 dealing with the expenditures of the political staff of the Minister of Manpower and Immigration (Mr. Andras). The parliamentary secretary has taken cognizance of the fact that these are important questions, and surely we should be entitled to an answer within a reasonable period of time.

Mr. Speaker: Order, please.

Mr. Paproski: I, too, rise on a point of order, Mr. Speaker. When you showed me that large volume of papers I was a little disturbed about its size, but it really is not that much. There would seem to be about 25 pages concerning CIDAS's financial contributions to many of the world's third countries, and I believe many people will want to know what this is all about. I would appreciate it if we could receive unanimous consent.

Mr. Speaker: I wonder whether it is the wish of the House to give unanimous consent to our appending to *Hansard*, as though it had been read into the record, the information contained in the answers to which the hon. member has referred.

Some hon. Members: Agreed.

[*Editor's Note: For answers referred to above, see Appendix A.*]

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

Hon. Mitchell Sharp (for the Minister of Finance): moved that Bill C-58, to amend the Income Tax Act, be

read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, in introducing Bill C-58 at second reading I should like to sketch in some of the background to this legislation. It seems to me it is a fact that in any free society, magazines significantly influence the development of the culture, the national sensibility, the free play of ideas and exchange of views and the critical faculties of its citizens. One might say that the part magazines play in this process is perhaps not as directly influential as television or films, but that may be largely a matter of taste and circumstances. Certainly, if one can judge by the views expressed by hundreds of persons who have written to me during the past few months about possible changes in the income tax law affecting advertising in periodicals, magazines are a very important factor indeed in terms of developing and nurturing a distinctly Canadian culture and identity.

During the past quarter-century, several royal commissions and special committees, charged by the Canadian government with looking into matters relating to the survival of a Canadian culture, have held in common the belief that the capacity and capability of Canadian periodicals to support the writing and exchange of ideas was of great importance and ought to be strengthened and supported by government assistance and intervention where and when appropriate. In the words of the Massey commission report:

> The periodical press of Canada . . . does undoubtedly make a conscious, and it seems to us, a successful appeal to the country as a whole . . . We do have . . . a periodical press which . . . insists on remaining resolutely Canadian.

The report, in 1961, of the royal commission headed by a distinguished Canadian, Grattan O'Leary, stated that the role of the periodical press in building Canadian unity cannot be ignored. It said:

● (1510)

> Periodicals educate, inform, entertain, and amuse. They provide the forum for debate and discussion which is essential to the democratic process.

It added that the problems besetting the Canadian periodical press affect its ability to add to "the richness and variety of Canadian life." To attain self-sufficiency, the O'Leary report stated, Canadian periodicals required adequate advertising revenue, and it concluded:

> A nation's domestic advertising expenditure should be devoted to the support of its own media of communications, and . . . a genuinely Canadian periodical press can only exist if it has access to a fair share of advertising revenue.

More recently, the Davey committee suggested that "in terms of cultural survival, magazines could potentially be as important as railroads, airlines, national broadcasting networks and national hockey leagues." It recommended that the benefits enjoyed by such foreign-owned periodicals as *Time* and *Reader's Digest* under the special exemption provision in section 19 of the Income Tax Act be withdrawn. Now, some years later, this government is asking parliament to give effect to the views and recommendations of this trio of learned and significant reports.

[Mr. Sharp.]

Mr. Speaker, this is an important bill and an important debate. Our discussion in the House will focus attention upon and enhance public understanding of a very significant section of our society, the Canadian periodical industry, and could affect significantly the future role, direction and prosperity of that industry. The difficulties facing that industry have for some time been a matter of concern to my department and to me; for some months now we have been engaged, in co-operation with the industry, in the development of a plan of action aimed at finding solutions to certain of its problems. I regard the amendment proposed in this bill as an important element of that plan and one that is essential to its success.

The government's intention to seek an amendment to section 19 of the Income Tax Act respecting foreign-owned periodicals has been termed by some critics a negative decision. I submit that it is not a negative decision if its succeeds in eliminating a situation which for years has had a negative effect on a very large part of the Canadian-owned periodical press in this country. It is not a negative decision if it leads to positive results; when it is seen as a stage in the development of a program of effective government assistance to Canadian periodicals about which I shall be speaking a little later.

It is probably trite to say that the government did not arrive easily at this decision. Throughout the course of our deliberations my colleagues and I have been conscious of the implications of the proposed measure for those magazines affected. But the arguments, as we saw them, outweighed those other considerations, arguments that took into account the inequities of the situation preserved by the existing legislation, and the intangible but no less real factors of cultural integrity and the preservation and growth of an indispensable medium of expression of Canadian ideas, sentiments and values.

Mr. Woolliams: What about censorship?

Mr. Faulkner: This bill has nothing to do with censorship.

Mr. Woolliams: This sounds like censorship.

Mr. Faulkner: It may sound like it, but I suggest the hon. member read the bill. The approval which my statement in the House on January 23 received from all parties, and the public approval as evidenced by press commentary and by the volume of favourable messages I have received, leave no doubt that in the minds of the majority of Canadians the government's decision was well taken.

In taking the decision, the government—and I dare say this parliament—is declaring what it is we do not want. First, we do not want the continuance of a special case provision in the Income Tax Act the justification for which, whatever it might have been when it was introduced ten years ago, no longer exists and which is inconsistent with the intent of section 19; a provision which not only discriminates in favour of a handful of Canadian-based, foreign-owned magazines against a very large number of foreign magazines circulating in Canada but, much more seriously, gives a very inequitable advantage to those few magazines over Canadian-owned periodicals.

Second, we do not want the continuance of an arrangement whereby two very large, foreign-owned periodicals—one with a weekly circulation of 1.4 million—together drew off $19 million of the $39 million of advertising revenue earned in 1974 by the 13 largest consumer magazines in Canada.

Third, we do not want the continuance of a situation wherein the world view of Canadian readers is being influenced by American periodicals the operations of which in Canada are facilitated by a tax deduction provision primarily intended to assist Canadian publications.

Fourth, we do not want the continuance of a practice whereby the stories and articles reproduced in the French language Canadian edition of *Reader's Digest* are usually translated outside Canada.

Fifth, we do not want the continuance of an arrangement whereby the editorial content of these foreign-owned magazines is imported from parent houses in the United States, which have already paid for it from large advertising and circulation revenues in that country, at a cost that is negligible by comparison with what it costs Canadian-owned magazines to produce their editorial content.

Sixth, we do not want the continuance, on the part of two foreign-owned magazines, of editorial policies that can hardly be said to be making a real contribution to Canadian cultural development and expression.

Seventh, we do not want the continuance of a situation wherein foreign-owned magazines claim the right to be called Canadian while taking their editorial direction and most of their editorial content from their parent houses abroad.

Eighth, we do not want the continuance of a Canadianization progress record which, after thirty years, finds *Time* in Canada still owned and controlled entirely by Time Inc. in the United States and publishing perhaps 10 per cent Canadian content; and *Reader's Digest* only 30 per cent Canadian-owned and carrying in its English language edition about 25 per cent and, in its French language edition, about 15 per cent Canadian content.

What we do want is: first, the continuance of a situation wherein there is no interference with the freedom of Canadians to read *Time* and *Reader's Digest*, the foreign editions of which, should the owners choose to cease publishing in Canada, would still be able to enter and circulate freely in Canada in the same way as a multitude of other periodicals of foreign origin. In this respect, whatever may be the decision of the owners regarding publishing editions in Canada, we would expect that it would continue to be seen as being to their advantage to have their magazines printed in this country and distributed by the Canadian postal service.

Second, we want the diversion of a proportion of the advertising revenue now earned by *Time* and *Reader's Digest* to Canadian-owned consumer magazines.

Third we want the emergence of a Canadian weekly news magazine, or magazines, designed to meet the needs and tastes of Canadians in both official languages.

Fourth, encouraged by improved competitive conditions in the market, we want an increase in the size, number and saleability of Canadian magazines and resultant enlarged opportunities for Canadian writers and readers.

Those, Mr. Speaker, are the main things we would like to see come about as a result of this proposed legislation. I, personally, am confident we shall see them. In the Speech from the Throne on September 30, 1974, this government said it would be taking further steps to enchance Canada's independence and sense of identity, among other ways, by promoting the sale of Canadian books and magazines. The bill now before hon. members proposes a considerable measure of assistance in that respect where Canadian magazines are concerned. At Trent University last January, in an address to the conference on the state of English language publishing in Canada, I outlined a series of other measures the government intends to take to enhance the capability of Canadian magazines to develop and prosper and to compete successfully in the home market. I talked of a program of assistance, not through hand-outs but by financial contributions aimed at enabling magazine publishers to help themselves.

I emphasized the government's willingness to support co-operative and collective self-help projects of Canadian magazine publishers, especially the class of smaller, paid circulation magazines which speak to and for Canadians about Canada and Canadian issues and interests and which survive because of their combined appeal to both readers and advertisers but only with great difficulty in the face of tough competition from imported publications.

● (1520)

I announced that beginning in fiscal year 1975-76, the Canada Council would be extending its already substantial assistance to literary and arts magazines and to other magazines of a more varied nature to help them with co-operative endeavours to strengthen their competitive capability. I said that I saw additional resources being directed by Canada Council to finance projects proposed by the publishers through their representative associations and aimed at improving the promotion, distribution and marketing of Canadian periodicals as well as in achieving a higher level of management skill. The Canada Council now has this program in hand.

I spoke of the government's willingness to give financial assistance to the development of a common national distribution service designed to get Canadian periodicals into outlets in communities where they are rarely, if ever, accessible to Canadian readers at the present time, I am glad to report that proposals for such a service have been developed by groups representative of the periodical industry and these proposals will soon be ready for discussion with my department and other government agencies. I said that we are consulting with other federal departments concerned with a view to providing greater display space for Canadian periodicals on newsstands and book-stalls operating on federal government facilities such as airports and railway stations. We are considering schemes for using federal government buildings in towns and cities across the country for displaying and promoting Canadian publications.

We are examining the possibility of increasing the amount of space purchased by government departments and agencies in Canadian periodicals, to increase the

awareness of Canadians with regard to programs and activities of those departments and agencies. Interdepartmental consultations at the official level are now going on with that end in view.

These are some of the plans we have for extending assistance to the periodical industry. The magazine associations have recommended additional courses of action and we have them under careful consideration. The measure before us today will help to ensure that these proposals for support to Canadian magazine publishers achieve the desired results by creating an environment that is more conducive to competition on fairer terms than now prevail.

No government, and certainly not this one, is interested in underwriting mediocrity. It has no intention of using taxpayers' dollars to help create an environment wherein a magazine is able to keep on publishing, shielded from the rigours of the marketplace, simply because it is Canadian, a container of Canadian culture and a reflector of Canadian identity in one or other of the many forms in which those concepts tend to be manifest. We are not concerned with making the marketplace safe for Canadian magazines. We are prepared to do what we can to make it fair and to help those Canadian magazines which have shown by their performance that they are deserving of a fighting chance.

It will be up to Canadian readers to decide whether a particular Canadian magazine shall survive, because it is their newsstand purchasers and their subscriptions which alone will decide what amount of available advertising dollars will be attracted to it. As with any product, quality and customer acceptance are the essential ingredients for success. Where they are present in a magazine, the assistance it will need from government will be minimal. Magazine publishers know this to be the government's stand in respect of financial support, and most of them endorse it.

I said at Trent University and earlier in my remarks today that I was hopeful that one of the results of the proposed changes in the income tax law would be the emergence of a Canadian magazine. Canadian readers are entitled to a news magazine which will report both national and international events in a manner which makes them relevant and significant to Canada and Canadians. A "window on the world through American-tinted glass", as Senator Keith Davey aptly put it recently, is not a satisfactory function of a news magazine where Canadians are concerned, regardless of how clearly and colourfully those events may be presented.

I have reason to believe that more than one Canadian publisher is interested in starting a weekly magazine, and indeed one at least is on record as saying it will start one if the changes in the Income Tax Act are made. It will be our hope that such a magazine, besides informing its readers on major events and issues on the international scene would, while dealing with current topics of national concern, give special and adequate attention to matters of regional significance and interest.

A leading Canadian advertising agency stated recently that there is no guarantee that the so-called expulsion of the domestic editions of *Time* and *Reader's Digest* will allow the introduction of a new Canadian news magazine. I agree with this statement; there is no such guarantee. All this government can expect from the proposed changes in the tax law is a situation to be brought about wherein a Canadian news magazine, as well as other consumer magazines, will have a better chance to get started and to keep going once they are under way.

Concern has been expressed in some quarters over what is expected of publishers in terms of the amount of so-called Canadian content a periodical must contain in order to be classified as a Canadian periodical for the purposes of the Income Tax Act. I should like to make it quite clear that there is no intention of introducing, in connection with the proposed amendments, a new Canadian content rule or a new formula for measuring how substantially a magazine published in Canada must be different from another published abroad in order to qualify for the benefits of section 19 of the Income Tax Act. Such a criterion has been part of the taxation law since 1965; it is not new and it is not unique. All periodicals published in Canada are bound by the "not substantially the same" clause in section 19 and have been for nearly ten years.

What is new is that for the first time certain periodicals being published in Canada and which are now foreign owned, if they decide to become Canadianized through transfer of ownership and control will, at the same time, like their fellow Canadian magazines, have to abide by the "not substantially the same" clause if they expect to benefit from the provisions of section 19. It is as simple as that. It may not seem simple from the standpoint of the publishers of those magazines, but the requirement is clear and has been clearly stated in the law since 1965. Nothing would be changed except the extent of its application.

There need be no mystery or uncertainty as to how this clause is to be interpreted and administered. Administrators of the Income Tax Act are called upon daily for such interpretations and administrative decisions in respect of many sections of the act, and in the case of dissatisfaction on the part of a taxpayer with an interpretation or decision, there is a well established process of appeal to the courts. In the case of uncertainty in the mind of any publisher contemplating the publication in Canada of a periodical with a certain format and editiorial content, it is possible, I am assured by my colleague the Minister of National Revenue (Mr. Basford), to obtain an advance ruling from his department on the eligibility of that periodical for the benefits under section 19.

What some persons are calling the new Canadian content requirement has nothing whatsoever to do with censorship, about which the hon. member for Calgary North (Mr. Woolliams) seems to be confused, or with government control over what Canadians may read. It in no way implies government interference with the editorial policy of periodical publishers. It has to do with the application of those provisions of the existing law which define what makes a periodical a Canadian periodical and thereby entitled to the benefits of certain fiscal provisions, benefits intended for Canadian periodicals.

Contrary to the view expressed in a recent editorial in one of our leading financial journals, a periodical, to be counted for tax purposes as a Canadian publication, does not have to have a certain minimum percentage of Canadi-

an content. It should be understood by everyone that to be "not substantially the same" as a periodical printed, edited or published outside Canada does not mean that a magazine's contents have to be Canadian in whole or in part. They simply have to be such as to make that magazine, for the most part, different from a foreign counterpart. It is conceivable that a periodical published in Canada and which satisfied all the requirements of section 19 could be ruled to be a Canadian periodical even if it contained not a single article or story by a Canadian writer or about a Canadian subject. I say "conceivable" but, I am bound to say—and I am sure hon. members will agree—not desirable.

● (1530)

Section 19 of the Income Tax Act is not aimed directly or primarily at encouraging Canadian authorship, although one might reasonably expect it to have that effect. Its purpose, in particular the "not substantially the same" provision, is essentially to help Canadian periodical publishers to counterbalance undue foreign competition caused by the dumping of editorial material prepared outside our country and reproduced virtually unchanged in so-called Canadian editions. This is editorial material the cost of which is already amortized abroad before it is supplied to so-called Canadian editions at a fraction of what it would cost a Canadian-owned magazine to prepare and publish comparable material. The editorial I have referred to went on to ask:

What gives Ottawa the idea that it has the right to determine what shall and what shall not be printed in Canadian publications?

An hon. Member: I wonder.

Mr. Faulkner: The simple answer, and one which the hon. member will easily grasp, is that this government—that that is what the writer means by "Ottawa"—is asserting or claiming no such right. It is saying simply that the law of this country requires that a periodical published in this country, in order to profit from the benefits provided by section 19 of the Income Tax Act must, among other requirements, be "not substantially the same" as another periodical published outside Canada. It is saying the law in this respect as well as others must now be the same for all magazines published in Canada.

An hon. Member: Did you write that?

Mr. Faulkner: As I have suggested, Mr. Speaker, it is anticipated, and with justification, that Canadian authors—

An hon. Member: I thought Peter Newman wrote it.

Mr. Faulkner: I thought the distinctive style would have come through, even to hon. members.

Some hon. Members: Oh, oh!

Mr. Faulkner: The hon. member for Annapolis Valley (Mr. Nowlan) will have his turn, and I will listen with a great deal of attention and even some silence when he speaks.

Mr. Beatty: It is the red crayon that tipped us off; we know it is your own.

Mr. Faulkner: As I suggested, Mr. Speaker, it is anticipated, and with justification, I submit, that Canadian authors, journalists and commentators will benefit from this amendment. We believe that Canadian periodicals now in print, as well as others that we hope will emerge in time, will attract a growing number of Canadian staff writers and contributors. We look for the appearance of new Canadian periodicals that will address themselves to subject matters of major interest to Canadian readers and will give expression to the Canadian point of view. But it is precisely because this government and this House believe in the freedom of Canadians to choose what they wish to read that neither is about to direct publishers of magazines, or of any other kind of publication, how they should discharge their responsibility to serve the Canadian community and the Canadian purpose, culturally or in any other way.

Then, Mr. Speaker, there is in addition the question of producing or publishing a periodical in Canada under licence from someone abroad. But this is largely a matter of the facts of the contractual agreement that exists between the two parties and should not be a cause for uncertainty in the mind of a publisher. Again, I would expect that Revenue Canada officials can be helpful in advising a publisher of his position as regards that aspect of the act. The provision on licensing has been law since 1965.

Mr. Speaker, I spoke earlier of the importance the government attaches to this measure. It is important because the growth and prosperity of a periodical industry are important to any country that wishes to preserve and reinforce its identity and the special character of its society and culture. It is a natural and laudable desire for a country to favour its own publications to the fullest possible extent but within reason and with equity. Canadian magazine publishers have been forced to exist for too long in an economic and psychological climate that has not been conducive to growth or new ventures. We want to see that climate changed, and the measures now before this House is, in our judgment, designed to help that change take place. We want to see a better economic environment for magazines edited by and for Canadians, with a Canadian point of view. Whether they make the grade with Canadian readers will depend upon the free choice of Canadians. Influencing that choice in their favour remains the task and the challenge of Canadian magazine publishers.

If, as I said at the beginning, periodicals significantly influence the development and expression of a country's culture and identity, it seems to follow that if this influence emanates in very large part from periodicals of foreign origin or under foreign control, such development and expressions are unlikely to take a form or direction that is desirable from the point of view of most Canadians. In so far as the outlook of Canadians is shaped largely by what they find in American magazines, this is not to be critical of what may be called the American world-view; it is simply to point out that it is not ours and should not be. Many Canadians are often better informed on United States politics and affairs than on those of their own country.

Non-Canadian Publications

The contribution of Canadian magazines to the enhancement of Canadian cultural expression, to the articulation of Canadian issues and to the knowledge and understanding of Canadians of their own country and their fellow Canadians is overshadowed by that of American publications. Surely, ways have to be found to redress the balance, and by that I do not mean ways that entail interference with the free flow into Canada of periodicals published abroad. The erection of cultural barriers or hidden tariffs has no part in what we are trying to achieve through measures to assist Canadian magazine publishing.

If Canadian readership patterns are to be changed in respect of magazines, so that Canadian magazines have a fairer chance to influence Canadian cultural growth and the expression and diffusion of Canadian ideas and creativity, Canadian magazines must come to be of such quality and so varied in content as to offer Canadians acceptable substitutes for the numerous choices of foreign-owned publications now available throughout the country. This transformation—and it can hardly be called less than a transformation—has got to be the absolutely top priority for magazine publishers in this country in the years to come if there is to continue to be any validity in the claim that Canadian periodicals are important to our culture.

As the minister responsible for federal government policy and programs aimed at the betterment of cultural and artistic activity and achievement, I have an obligation to see to it that Canadian periodical publishers who address their efforts determinedly and vigorously to this priority get all the support and assistance it is practicable and appropriate for the Canadian government to extend to them.

[*Translation*]

Mr. Speaker, in the absence of my colleague, the Minister of Communications (Mr. Pelletier), I would now like to refer to the various aspects of the bill which deal with broadcasting. The clauses dealing with advertizing broadcasted by foreign stations are generally similar to the above-mentioned clauses on periodicals and newspapers. The aims are the same, that is to strengthen and promote the development of Canadian media by improving their profitability.

The advertising market for Canadian viewers is operated through American border stations. There are about a dozen American television stations located close to the Canadian border whose programs are seen by a great number of Canadians either directly or through cablevision. Those stations have reaped substantial advertising revenues in Canadian towns where their programs are widely seen. Indeed, the very existence of some of those stations is based on advertising made in Canada.

According to present estimates, some $20 million are paid each year out of Canada to those American stations for advertising directed to Canadian viewers. From that yearly amount of $20 million, some $9 million come from the television market in the Toronto area and some $7 million from Vancouver. Southern Manitoba loses about $1.5 million each year to American stations. The remainder comes from Ottawa, Montreal and a few other smaller markets.

[Mr. Faulkner.]

Most of the American stations involved, especially those situated in Buffalo (N.Y.) in Pembina (North Dakota), in Bellingham (Washington) are actively canvassing advertising accounts with Canada companies who wish to sell their products to Canadians. It can be safely stated, Mr. Speaker, that some stations have been created for the sole purpose of tapping the Canadian market.

● (1540)

[*English*]

The economic exploitation of the Canadian advertising market has important consequences for our broadcasting system. The licensing policy of the Canadian Radio-Television Commission is based on the ability of each local market to support with advertising revenues the Canadian stations licensed to serve it. Clearly, when revenues which would otherwise go to local Canadian stations are siphoned off to United States border stations, the CRTC's licensing policy is undermined. The Broadcasting Act passed by this House in 1968 states:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada—

One of the objectives this government has pursued in the development of communications policy is that Canadians should have access to as wide a choice of information and entertainment as possible and Canadian sources of creativity and information should be emphasized. We are confident that this measure will not in any way limit the choice of programming available to Canadians. However, uncontrolled siphoning off of advertising revenues adversely affects the financial viability of many Canadian stations. Affected, as well, is the ability of Canadian stations to assume greater and more costly policy obligations such as local program production. Moreover, the loss of revenues to United States border stations threatens to hinder the expansion of the Canadian broadcasting system by reducing the amount of money available to provide service to the smaller areas where the markets are not large enough themselves to support a private broadcasting operation.

The objective of this bill is to create a financial incentive which would encourage the repatriation of Canadian advertising dollars. By taking away the privilege of deductions against income of the costs of advertising broadcast on non-Canadian stations, the bill will effectively double the cost of advertising time on the United States stations. This will not eliminate all advertising on United States border stations, but it will become more attractive to purchase time on Canadian stations. In this way, the bill will contribute to the reversal of the outflow of Canadian advertising revenues. Not only will the viability and integrity of Canadian broadcasting stations be enhanced, but the development of the Canadian broadcasting system will also be assisted.

In other words, Mr. Speaker, while it is difficult to predict the amount of funds that will be diverted to the Canadian broadcasting system, more funds will become available to assist in extending the coverage of the Canadian broadcasting system to more Canadians, and more money will be available to assist the development of Canadian sources of creativity. To prevent the harm

which could befall Canadian advertisers if the deductions were removed before adequate alternative time was available on Canadian stations, the provisions of the bill dealing with broadcast advertising will not be implemented until adequate time is available. Of the two markets which were previously fully bought up, southern Ontario and Vancouver, the former, southern Ontario, has seen the recent licensing of both the Global television network and channel 79. Consequently, Canadian advertising time is available in that area now.

In the Vancouver area, it is expected that a third television station will be licensed in the near future by the Canadian Radio-Television Commission, thus ensuring that advertisers in that area are able to buy Canadian advertising time. It is proposed that the implementation of this bill should take into account the timing of the licensing of this third Vancouver station. To that end, those parts of the bill relating to broadcasting will be put into effect by proclamation. There may, therefore, be a delay between the enactment of the bill and the proclamation of the broadcasting clause in order to allow the establishment of the third Vancouver station.

[*Translation*]

This legislation will amend the Income Tax Act so as to encourage the return of Canadian advertising revenues to the Canadian broadcasting companies just as we have done up to now and as we will keep on doing regarding the fourth estate. This amendment has been supported by the CRTC, the Standing Committee on Broadcasting, Films and Assistance to the Arts, the Special Senate Committee on Mass Media and by all the representatives of the Canadian broadcasting industry. It is part and parcel of the government's endeavour to maintain in Canada a wholesome and strong broadcasting system.

[*English*]

Mr. Speaker, the support which the proposed legislation will provide to the Canadian periodical industry and to the Canadian broadcasting system manifests the determination of this government to encourage all areas of cultural expression. The government has the duty to ensure that the imagination and talent of Canadians be given room to develop and to grow. The measures we are proposing here today are an important step toward that goal.

Mr. Woolliams: Mr. Speaker, will the minister permit a question? I did not want to interrupt while he was delivering his speech. Will he clearly and unequivocably say what constitutes Canadian content, because this question concerns me?

Mr. Faulkner: Mr. Speaker, I went to some length in trying to point out to the hon. member and the House that this bill does not deal with the concept of Canadian content. It deals with the concept of "not substantially the same," a provision which has been in the act since 1965 and concerns material edited abroad, no matter where, placed in so-called Canadian editions and passed off as Canadian. The bill does not deal with the concept of Canadian content. I went to some length in attempting to clear up that misconception. Obviously, I did not do it to the satisfaction of the hon. member, but I will do so in committee.

Non-Canadian Publications

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, the report of the Royal Commission on Publications dated May, 1961, emphasized that in an area as vital and as sensitive as the press, whatever is done should be positive rather than negative, with the goal being the promotion of the Canadian periodical and not the suppression of the foreign periodical. That is the theme I want to develop this afternoon. I shall raise some points which the minister obviously overlooked.

Although the minister made a most interesting speech, the amendments he proposes to the Income Tax Act as put forward in Bill C-58 in no way constitute a periodicals policy for Canada. I think, personally, and I hope most will agree, that is wrong of a tax policy to differentiate with respect to, say, *Time* and *Reader's Digest* as this leads to all sorts of anomalies and possibly unfairness. A tax policy should apply equally. *Time* and *Reader's Digest* could easily fulfil their obligations as Canadian citizens by broadening substantially, over an agreed span of time, their Canadian ownership.

If I may draw an analogy, I suggest that both these magazines have been in Canada long enough to apply for Canadian citizenship. Perhaps application for citizenship could take the form of an increased sale of their shares to citizens of this country. Other acts, be they with respect to newspapers, banks or whatever, have demonstrated that this can be done if a reasonable length of time is permitted. I think the Bank Act provides for a period of five years, although I have not directed my mind to the exact length of time. In any event, there could be a time-frame in which publications could at the very least sell a majority of their shares to the citizens of this country.

● (1550)

The minister has admitted that the passage of this bill will not automatically mean the flow of revenue to Canadian magazines. As a matter of fact, an independent survey by Canadian Facts indicates that 19 to 20 per cent of the advertising revenue of *Time* and *Reader's Digest* will probably accrue to Canadian publications. When I had the privilege of meeting with the publisher and editor of the revitalized *Saturday Night* the other day, the question was posed to the publisher about the effect of Bill C-58. He admitted that from the point of view of policy, it would not be significant. Some of the other matters the minister mentioned, and some of the points I hope to develop, will have a much more significant effect on the future of Canadian publications.

As these magazines become Canadian citizens, it might be fair to ask that more of the decisions relative to their editorial content should be made in this country. The minister gave a somewhat lengthy exposition of the Canadian content rule. I am not convinced about this. Despite the fact that the legislation has been in place since, as the minister said, 1965, I hope the officials have made very few rulings. Perhaps the committee would be the place to learn just how many rulings have been made about content. My party and I are very nervous about this particular provision. I think that content rules, particularly as they have application to news magazines—here I am not making a plea for any magazine, but the whole concept of news magazines—are repellent to me and to this party.

Some hon. Members: Hear, hear!

Mr. Fairweather: Having said that, what are the elements of a Canadian periodicals policy? I suggest that there are in this country a host of writers who without any trouble could man, if that is the word—

Some hon. Members: Oh, oh!

Mr. Fairweather: The hon. member for Kingston and the Islands (Miss MacDonald) and several others are chastising me about that phrase. Anyway, there are enough editors of talent and writers of talent, be they men or women, to adequately provide content for any number of Canadian periodicals. That is not the problem. However, there is a very serious problem about management talent. I hope that in the development of a periodicals policy, some agency will assist. Also, I hope there will be a subsidy provision to provide for the training of managers of periodicals. Many knowledgeable people in the industry have told me that it is on the management side that the weakness lies.

There is, of course, the perennial problem of any artistic of cultural endeavour—the problem of money. I suppose, and I will develop this a little later, that the Canada Council or some organization along the lines of the Canadian Film Development Corporation could fulfil a useful function here. The last point—I am just highlighting at this stage—is that I was interested in the minister's comments about the distribution system. However, still he has done nothing more than make protestations about the need for an adequate distribution system.

When speaking at Trent University the Minister said that the strength, originality and vision of the Canadian publishing industry was not a matter of marginal interest or importance to the Liberal government but, rather, a true measure of what constitutes our national life. I like rhetoric as much as anybody else. At another time and in another place I would like to make a speech about the misuse of rhetoric, the raising of the expectations of people because of hyperbole when no firm policy follows the rhetoric.

The minister announced the government's intention to delete subsections (2) and (4) from section 19 of the Income Tax Act effective January, 1976, thereby eliminating the tax advantages currently enjoyed by the Canadian editions of *Time* and *Reader's Digest*. The minister stated, further, that the strength, originality and vision of the Canadian publishing industry was, as I said earlier, a matter of priority. I will suggest in the next few minutes that I would like to see substantially more evidence of the minister's concern. Similar sentiments about a periodical policy were expressed by the minister's predecessor in 1972. The then minister said the development of a Canadian publishing policy was a matter of top priority. Apparently "top priority" is nothing more than an empty phrase if Bill C-58 is the only evidence of the earnestness of the government in this regard.

In the minister's address to the Trent University conference on "The State of English Language Publishing in Canada", his sole commitment was to the amendment of the Income Tax Act. As I said earlier, a survey by Canadian Facts Incorporated, in January of this year, of Canadian advertising executives indicated that the Canadian publishing industry will not benefit substantially from the removal of tax advantages for advertising in *Time* and *Reader's Digest*. As a matter of fact, the figure is only 19 or 20 per cent. However, there is a worrisome theme; it worried Senator Davey who headed the committee on publishing: only 19 per cent of the revenues freed by this measure will go to the publishing industry, and of that 19 per cent almost 60 per cent will go to Maclean-Hunter Publications. As a consequence, Maclean-Hunter will effectively control at least half of the advertising revenues obtained by the magazine industry. Little magazines will derive an almost insignificant amount of benefit from the legislation, despite the minister's admission that the smaller, special interest magazines constitute a real problem area, to use his words, in the publishing industry.

● (1600)

I began by referring to the report of the royal commission handed down in 1961 and its desire that legislation be positive. It seems to me that the legislation under debate today has been conceived along precisely opposite lines, that is to say, it would perform a negative function; it embodies a policy of negative, rather than positive assistance to an industry which, upon the hon. gentleman's own admission, is a true measure of what constitutes our national life. It would be more accurate to describe Bill C-58 as a true measure of the government's inability to meet the pressing problems of the Canadian industry and Canadian identity by not bringing forward concrete, positive policy commitments.

I intend to suggest a couple of positive commitments. The first has to do with postal rates and postal services. Because 91 per cent of Canadian magazine sales are through subscription, an efficient and economical postal service is of crucial importance to the survival of an indigenous periodical industry. Prior to 1968, the Post Office Act provided mailing rates for magazines of between 1½ cents and 3 cents a pound. The rate depended on circulation: periodicals with a circulation of less than 10,000 paid 1½ cents per pound; for a circulation between 10,000 and 50,000 the rate was 2½ cents per pound, and publications with a circulation of 50,000 or more paid 3 cents per pound.

However, the passage of Bill C-116 raised the price per pound from 3 cents to 5 cents and instituted a minimum floor rate of 2 cents per piece. Under such an arrangement, magazines with fewer pages, smaller size and consequently a lower volume of advertising are placed on the same footing as the larger, better financed periodicals. Similarly, the existence of the 2 cents per piece minimum charge has led to the establishment of independent distribution firms to distribute magazines which carry no price and which therefore concentrate heavily on advertising as a source of revenue. The growth of these controlled circulation publications has placed a serious drain on the pool of advertising revenues available in Canada.

Surely, a government which professes to be so keenly interested in encouraging the growth of the periodical industry would consider the removal of the floor charge of 2 cents, as advocated in the Davey committee report of 1970, in an attempt to restrain the controlled circulation section of the industry which it has fostered at the

expense of Canadian periodical sales. Canadian publishers consider that no other single action which the government could take would do as much to provide immediate relief and encouragement to those involved in this difficult and discouraging business. If the government's concern is to be considered sincere, positive steps must be taken to initiate a serious inquiry into the implications of Bill C-116 for the Canadian publishing industry, with a resultant recommendation that a return to the calculation of postal rates on the basis of circulation should take place.

At the core of this submission is the need for a fair, speedy and cheap postal system. I, for one, have never felt particularly discouraged about the fact that the Post Office did not return a profit. I am much more discouraged by the almost total breakdown in delivery of second-class and third-class mail, to say nothing about the fact that the delivery of even first-class mail seems to be disrupted all too often.

The government might also examine the speed and efficiency of second-class mail service, as subscription sales are surely dependent on people getting their magazines at the time they expect them. I suppose that other than on some of the more emotional social issues, the largest volume of mail members of parliament receive comes from frustrated constituents who are upset about the inadequacy of the postal service. If we are to judge by the quality of the first-class mail service in Canada, the publishing industry is indeed in deep trouble.

The last major point I wish to make—I hope the government will accept some of these submissions—has to do with the distribution system. If I might say so, the minister made a somewhat casual reference to this sector. But there is something he could do today, by fiat, if he wanted to: he could see to it that all the leases with respect to kiosks and magazine counters in Canadian airports, for example, contain a provision requiring adequate display and distribution of Canadian periodicals.

In this area, the minister need not worry about the constitutional aspect, though undoubtedly there are constitutional aspects attached to the establishment of a more thorough-going distribution system. He could give us earnest of his intention, however, if he were to apply such a provision immediately throughout establishments controlled by the Department of Transport, the Canadian National system, Crown corporations, and so on. In this very city of Ottawa there must be enough kiosks in government buildings to enable the minister to make an excellent start in providing a better distribution system. One of the things that has bothered me for many years is the overwhelming number of United States periodicals on display at Canadian airports. If one succeeds in finding a Canadian magazine among them, it shows one is a good explorer indeed.

Thirteen of the 14 magazine distribution firms operating in this country are American-owned. It follows that Canadian newsstands are inundated with American overflow copy to the extent that only 9 per cent of Canadian magazine sales are newsstand sales. Newsstands and other agencies distributing periodicals should be required to ensure the fair treatment and exposure of Canadian magazines. I do not have the statistics, but I would guess that most of the magazines making up the 9 per cent to which I have just referred are sold in the large cities. Those of us who represent constituencies in other than the large cities find it frustrating not to be able to locate Canadian periodicals on the newsstands.

● (1610)

Newsstands and other agencies distributing periodicals should be required to ensure that fair treatment and exposure of Canadian magazines takes place. The government might also consider instituting an establishment of national distribution to guarantee the promotion and circulation of periodicals. As an immediate measure, the government should encourage the display and sale of Canadian magazines at federal installations and Information Canada offices. Public corporations, as I said earlier—and there are several of them—are providing a selection of our own publications for their clientele.

I mentioned earlier that another need in respect of a positive policy for Canadian periodicals is cash flow—money; capital. Consideration should be given to the establishment of a national periodicals development corporation or, if the government resists this—and I would be surprised, because this is a government with a proliferation of agencies, boards and commissions—there could be a modification or an expansion of one or other of the existing structures, for example the Canada Council, for the purpose of granting both resources of capital and assistance to the publishing industry.

If I can interpolate one small comment, I think the Canada Council system, now, of distributing books to some of the smaller libraries of Canada, is a worth-while program and one that could well be copied for Canadian periodicals, providing subscriptions to the smaller and less adequately funded libraries in our country. I might say that in my own constituency, this very year two packages of Canadian books were sent out to what might be called libraries of modest size and it was a matter of great personal satisfaction that this occurred. I have always felt it would be very helpful if the same policy were adopted with regard to some of our periodicals.

In co-operation with the provinces, such an agency might make grants available to journalists engaged in the periodicals industry to further develop and assist the talents and energies of Canadian writers. As an immediate measure, the council should expand its present book purchase program to include Canadian magazine subscriptions for public and school libraries. The government might also consider the purchase of a more substantial amount of advertising space. I think the minister alluded to this matter. I may say that the *Saturday Night* people, when they saw us last week, alluded to advertising space in Canadian periodicals rather strongly to counteract the possible loss in advertising revenues resulting from the present legislation.

My only caveat in respect of government advertising is that it is one of the great, unexamined pork barrels, as I understand it, in the government system. A government that prides itself on being Mister Clean seems to dibble and dabble in advertising patronage to an extravagant extent.

My theme, and I hope the minister will agree, has been one of trying to suggest to parliament ways in which the

periodicals industry in this country could be made much more healthy by a distribution system, an improvement in second-class mail, in cash flow, and so on. I resist very much, intellectually and in every other way, the matter of Canadian content which was so casually alluded to by the minister in his speech. I resist having officials, by some inadequately explained measure, trying to add up what is or is not content. As a matter of fact, in the minister's speech he said it might be possible for all the stories in a magazine to be written by offshore people, with no article alluding to this country, yet the magazine could get a Canadian content rating. This paradox is the very issue, and particularly when we get into the matter of news we are getting into an area that through the years—

Mr. Stanfield: Or opinion.

Mr. Fairweather: News or opinion, as my leader has said. Then we are getting into an area that through the years has given tyrannical governments the power that free men have resisted through the ages. That, then, is the tenor of this speech. I have tried to make it positive rather than negative, and I adopt as the party position the suggestion that positive rather than negative policies will substantially increase the availability, the health and the viability of the periodicals industry in this country.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the NDP welcomes, as long overdue, this legislation to end the special status for advertising in *Time* and *Reader's Digest*.

Some hon. Members: Hear, hear!

Mr. Symes: I hear a bit of applause from the Liberal side. Maybe they should wait a few minutes. While the legislation is welcomed, I regret that this government and its predecessors have dillied and dallied so long that the Canadian periodicals industry is in the sad state it is in today. Had the government acted on the royal commission report back in the early 1960s, or even on the special Senate committee report of the early 1970s perhaps the situation would not be as desperate as it is.

All members of the House must, or should realize the importance of magazines in Canada. If we are concerned about Canadian independence and identity, we must be concerned about the health of the Canadian magazine industry. We have heard much concern expressed in debates in the House about the economic independence of Canada, and we now have on the books the foreign investments review act, which is a token gesture because it is not totally proclaimed yet, in an effort to regain control of our economy which in so many sectors is foreign owned; 60 per cent, for example, in manufacturing and 90 per cent in terms of oil resources. We seem concerned about Canadian independence and identity in the broadcasting field, in that the Canadian Radio-Television Commission has suggested 80 per cent Canadian control of the broadcasting media, cablevision and Canadian stations and has also advocated 60 per cent Canadian content in programming.

I maintain that our cultural independence and identity is just as essential as our economic independence if we are to remain a sovereign nation and a sovereign people. What is the good of achieving economic sovereignty if we lose our identity in the process? What good is there in Canadianizing industry if we ourselves are Americanized through what we read?

Therefore, I suggest that magazines are special and have a vital and important role to play in promoting the Canadian identity. I would maintain that magazines are as important as our national railway was at the time of confederation, in terms of binding the nation together and helping Canadians understand one another from coast to coast.

● (1620)

Magazines are the only national press we have. They are the only media whereby we can have an in-depth study of Canada and Canadians. Magazines are not bound by daily deadlines or the pressures that newspapers, television and radio have to meet in order to get their message out on time. In respect of magazines, time is provided for more analysis which is sadly lacking in the news media in this country.

Through magazines, we as Canadians can become aware of the needs, problems, successes and failures of Canadians living in Newfoundland, British Columbia, the Northwest Territories and all points in between. That need, to me, is very essential today because our cultural identity is being eroded by the presence of a huge country and a huge entertainment industry south of our border. We often know more about American history and politics than our own, through the medium of television. Often our heroes are Hollywood stars and others to whom we are introduced through the medium of the American movies which Canadians watch.

Many of our entertainment figures or people in the music industry are Americans, because of the penetration of American music. Also, in the news media we are subject to a heavy dependence of foreign correspondents to interpret the news of the world, not only in terms of reporting but in terms of news and film clips from CBS and other United States networks. Because we do not have too many Canadian foreign correspondents, we rely heavily on Associated Press, United Press International, and Reuters.

Through this process, Canadians get a view of the world through the eyes of other people. Indeed, it seems that our very lifestyle is more and more becoming Americanized. When I was up in the Yukon Territory I was amazed to see, in Whitehorse, a Colonel Sanders Kentucky Fried Chicken outlet: One cannot go anywhere in Canada without seeing McDonald's hamburger stands in the cities, American-produced cars, and so on. Our whole lifestyle seems to be more and more influenced by the American presence.

Our magazine industry is no exception. Magazines in Canada generally are dominated by foreign publications. For example, *Playboy* magazine collects about as much money in Canada as the 17 largest English-language magazines combined. We have competition from United States news magazines which have access to resources with which Canadian news magazines cannot compete. Therefore, I say it is very important that we have a healthy and expanding Canadian magazine industry because magazines have a vital role to play in countering the cultural influence the United States is having on our citizens. We

need Canadian magazines to interpret Canadianism to Canadians and to interpret the world to Canada.

As I said earlier, our magazine industry is in deep trouble; it is facing severe and unfair competition from foreign magazines. This industry—I want to underline this—is in trouble because of the procrastination, lack of concern and shortsightedness of Liberal and Conservative governments over the past 15 years. Very briefly, I should like to document that statement. I would say, for example, that as early as 1922 the Magazine Publishers Association of Canada asked for protective tariffs on foreign periodicals. The Conservative government of 1931 did levy such a tax, but the Liberal government in 1936 removed it. The result was that foreign magazines began to penetrate into Canada and the two most important foreign magazines, namely, *Time* and *Reader's Digest*, in the late 1940s and early 1950s began to capture a great deal of the advertising revenue in Canada. In fact, by 1955 those two magazines, *Times* and *Reader's Digest*, had captured one-third of the magazine advertising revenue in Canada.

In the same year, only one-fifth of all consumer magazines read in Canada were Canadian. In light of this trend of foreign domination of the magazine industry, in 1957 the Liberal government finally imposed a 20 per cent tax on advertising in Canadian editions of foreign periodicals. However, with a change in government when the Conservatives came in a year later in 1958, that legislation was repealed because of the very heavy pressure by the United States government. I think one should ask oneself why the United States government was so concerned about the status of *Time* and *Reader's Digest* in this country.

I should like to elaborate the thesis that the United States government is concerned about these two magazines, because they really are agents of United States diplomacy. In 1960 and 1961, finally, the Conservative government instituted the Royal Commission on Publications which recommended that an end be put to the right of advertisers in foreign magazines in Canada to deduct the cost of advertising for income tax purposes. It was typical of Conservative procrastination that the government refused to accept the recommendation and exempted *Time* Magazine and *Reader's Digest*. Certain political events took place, the government was defeated and no subsequent legislation was introduced. Then when the Liberals returned to power in 1965 we find that once more the United States government put very strong pressure on the Canadian government to officially, through legislation exempt *Time* magazine and *Reader's Digest* from any future legislation to end the tax advantage for advertisers in those two foreign magazines.

The minister of finance at that time, Mr. Walter Gordon, said that the government came under such pressure that the United States was threatening not to agree to the Canada-US auto pact and was threatening to reduce Canadian oil exports to the United States if these two magazines were not exempted from the foreign periodicals tax legislation. As a typical example of the Liberals bowing to the United States on this important issue, the two magazines were officially exempted. Then in 1969 the government instituted the special Senate Committee on the Mass Media which reiterated the problems of the publishing industry in this country and reached the same conclusion that had been reached by the previous royal commission. I should like to quote from the Senate committee's report:

> It seems plain to us that if *Time* and *Digest* are allowed to maintain their present competitive advantage, it will become increasingly difficult for existing magazines to survive, and for new ones to be launched ... but we are satisfied that the long-term prospects for Canadian periodical industry—and probably the short-term as well—would be enhanced by removal of subsidized foreign competition.

● (1630)

There we have evidence through the years of the publishing industry expressing its concern, of a royal commission after exhaustive study coming out with concrete recommendations, of a Senate committee also coming out with concrete recommendations, but this government and its predecessor having refused to act until now. What happened to the Canadian magazine industry in the interim when those Liberal and Conservative governments delayed? It is interesting to look through the records and see what went on.

In the 1920s there were 96 consumer magazines in existence, and during that period 23 of them folded and died. In the 1930s, 75 magazines were started but 65 of them folded. In the 1940s, 92 magazines were started and 70 died. In the 1950s, 29 new magazines were started and a total of 50 died. By the 1960s we had 250 new magazines and 137 died. Meanwhile, especially in the 1950s and 1960s, *Time* and *Reader's Digest* were leaping forward because of their special status regarding advertisers in their magazines. The circulation of *Time* rose from 215,000 in 1960 to 557,000 today, and the circulation of *Reader's Digest* rose from 1 million in 1960 to 1.2 million today. But perhaps even more important than that, *Time* and *Reader's Digest* together have now captured 48 per cent of all magazine advertising revenue in Canada, that is to say, over $17 million.

Time and *Reader's Digest*, two foreign magazines with Canadian editions, unlike any other foreign magazine such as *Newsweek*, *U.S. News* and *World Report*, have a special status so far as advertisers are concerned. They are treated as Canadian magazines for advertising, income tax purposes. Therefore, *Time* and *Reader's Digest* have an unfair advantage over any other foreign magazine circulating in Canada. *Time* and *Reader's Digest* also have the advantage of being subsidiaries of foreign publications, which prevents Canadian magazines being on an equal, competitive footing with them.

That is something on which I would like to elaborate in my speech. Neither *Time* nor *Reader's Digest* can claim to be Canadian magazines with regard to ownership, content or editorial control. The principle of fairness and equity must dictate that they be treated under the law as foreign publications, which they are. This has been the policy advocated by the NDP for years. Bill C-58 which is before us defines *Time* and *Reader's Digest* as foreign magazines for income tax purposes. It will end the special advantages they have received under section 19 of the Income Tax Act, and its aim is to free more advertising revenue for Canadian magazines by diverting such revenue away from *Time* and *Reader's Digest*.

What do we mean by a Canadian magazine? The minister gave a rather vague definition with regard to content. Earlier, other ministers spoke about a 75 per cent content

which had to be Canadian, but the minister said simply that the content of a Canadian magazine had to be substantially different from any non-Canadian publication. The other aspect of a Canadian magazine must be that effective editorial control is exercised in Canada, and that at least 75 per cent ownership of the magazine must be Canadian.

How do *Time* and *Reader's Digest* measure up to those criteria? For example, in no way can *Time* be considered a Canadian magazine. It has a mere five pages of Canadian news, which represents about 10 per cent of its content. Its editorial control resides in the United States in its parent company, and *Time Canada* is wholly owned by Time Incorporated of the U.S.

Reader's Digest has been making a pitch; it has been lobbying members of parliament, getting the public to write letters and trying to argue that it should have a special status, it deserves a special deal because, somehow, it is more Canadian than *Time*. *Reader's Digest* only has 24 per cent Candian content in its English edition and only 12 per cent Canadian content in its French edition. Its editorial control resides in the United States—every article published in *Reader's Digest* has to meet the approval of the editorial board in the U.S.—and only 32 per cent of the shares of *Reader's Digest* are open to Canadians for purchasing. But we should remember that not all of those shares are owned by Canadians. As the president of the company, Mr. Zimmerman, said, some of the shares have filtered back to the United States.

But even if *Time* or *Reader's Digest* were to go public and issue shares in Canada, even if they had something like 75 per cent Canadian ownership, that, to me, would be fudging the issue, because when we talk about magazines and news the key issue is not who owns the actual publication, but who controls the editorial policy and, hence, the content of that magazine. Unless that kind of control resides in the hands of Canadians, those magazines will still be promoting and interpreting Canada and the world from a foreign viewpoint. We cannot get around the fact that *Time* and *Reader's Digest* have been, and will continue to interpret America and the world through American eyes and from an American viewpoint.

I could give many examples but I think two would suffice. Can anyone in the House recall, during that sad conflict of the Viet Nam war and American involvement over a decade, any substantial criticism in either *Time* magazine or *Reader's Digest* of American policy in Viet Nam? It was only when the tide turned in the U.S. and America wanted to get out of Viet Nam because of the realization of the morass in which they found themselves, that we found these two magazines publishing critical analyses of that war. But earlier on, when other magazines in Canada and the world were publishing critical articles—and I say "critical" in a positive sense; you can have both sides of the story in the same publication—that was not true of *Time* and *Reader's Digest*.

More recently, when Canada wanted to sell locomotives to the United States through the M. L. Worthington firm, the U.S. government tried to prohibit that subsidiary from doing so, using the Trading with the Enemy Act. If you looked up that issue of *Time* magazine you would notice that *Time* was being apologetic, trying to justify the U.S. government's imposition of the Trading with the Enemy Act. What I am saying is that basically we are not getting news from the Canadian perspective in those five pages of *Time* or the articles selected for *Reader's Digest*.

What other advantages do these two magazines have other than their special status with regard to income tax? It seems to me that they have an unfair competitive advantage for a number of reasons. First of all, they have a great economic advantage over their Canadian competitors because their editorial content is supplied by their parent company in the United States. This means that the two magazines can obtain material that is costly in terms of research, and so on, at a cut rate, at subsidized cost, from its parent company. No Canadian magazine can do that.

● (1640)

Another advantage is that these magazines have a tax advantage over their American competitors selling in Canada, because only these two magazines are permitted to have their advertisers deduct the cost of advertising for Canadian income tax purposes. Another great advantage these two magazines have is that they have captured almost all of the magazine advertising revenue in Canada. Therefore, on the principle of equitable treatment it would seem that we have to end the special status of *Time* and *Reader's Digest*. They should be treated on the same basis as any other foreign magazine and should not have any special privileges for advertisers.

Why else should we end the special status? It seems that by not having an advantage regarding income tax, *Time* and *Reader's Digest* advertisers will begin to divert advertising revenue to Canadian magazines and other Canadian media. I do not have any illusions that all the revenue freed from advertising in *Time* and *Reader's Digest* will go to magazines, but it may go to Canadian television and radio. At least we will be able to keep this revenue in Canada, rather than seeing the bulk of the revenue raised by advertising in Canada flow back to the parent companies in the United States. *Time* and *Reader's Disgest* have carried out a survey showing that only 19 per cent of the freed revenue would go to Canadian magazines. This would be something over $3 million. We do not know whether that survey is accurate; but even if it is, $3 million would be beneficial as cash flow for Canadian magazines.

It seems, also, that we must stop the advertising advantages of *Time* and *Reader's Digest* because of what they are doing to regional editions. *Time* especially has 12 regional editions; it can attract local and regional advertisers, through special rates, to advertise in the magazine for those local and regional audiences. That, therefore, inhibits local and regional magazines such as Toronto *Life* and Vancouver *Life*. Once we end the special advertising advantages for *Time* and *Reader's Digest* in their regional editions, we will help promote regional magazines which are a vital part of the Canadian industry.

It seems that the revenue raised through ending this tax advantage will be a great boon to existing Canadian magazines and it will encourage others to get into the market and expand. I would like to point out that this bill will not necessarily mean that the Canadian editions of *Time* and

Reader's Digest will fold; they still have a large circulation, which must be attractive to some advertisers. We should remember that the revenue of *Reader's Digest* does not primarily come from advertising in Canada. Three-quarters of the revenue of *Reader's Digest* comes from sources other than advertising revenue, that is, from book clubs and record clubs. Even if the Canadian editions of *Time* and *Reader's Digest* were to cease, Canadians would still be able to buy the American editions just as they can now buy *Newsweek*, *Playboy* or any other American magazine.

If the two magazines were to fold—and I do not think it is inevitable that they would—their staff could certainly be absorbed by the Canadian publishing industry. It seems to me that ending their special status will stimulate the Canadian weekly news magazine industry. Already, *Macleans* has indicated it will move to that kind of format. There are other publishers expressing similar intentions. In conclusion, I say that we have an important need for a strong and healthy Canadian periodicals industry. I would like to read from the report of the royal commission of 1960:

> Only a truly Canadian printing press, one with the feel of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society.

Neither *Time* nor *Reader's Digest* conform to that concept of Canadian publishing. Nor, by definition of their content and editorial policy, can they ever hope to conform to that definition. I again quote from the royal commission:

> A nation's domestic advertising expenditure should be devoted to the support of its own media of communications, and ... a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

For years the Liberal government has let *Time* and *Reader's Digest* capture half of that revenue through the special status given to advertisers in those magazines. Now, hopefully, this trend will be reversed. But this bill is not the be-all and end-all. We need more positive measures. We need a comprehensive periodicals policy. We need to end foreign domination of ownership of magazine distributing agencies in this country. We need to revise postal rates for magazines to end discrimination, especially against our smaller magazines. We need to take measures to discourage the overflow circulation of foreign magazines. For example, in 1961 it amounted to over $150 million per year, compared to a domestic production of only $40 million.

We should consider the example of Switzerland, which imposes a postal surcharge on foreign periodicals. Germany imposes a tax on foreign periodicals. We could use the revenues thus raised to promote a Canadian magazine industry. So far, this government has failed to move positively in those directions. We still do not have a policy for periodicals.

I would like to reiterate my faith in Canadian writers and publishers. When the CRTC demanded higher Canadian content in music, we saw how this caused our recording industry to flourish. I believe the same kind of talent exists in Canadian writers and publishers. A few Canadian magazines in Canada have achieved high audience penetration. This bill will end the unfair advantage of *Time* and *Reader's Digest* and create more equitable competitive conditions in this country for the magazine industry. The audience is there; so is the talent. To argue that the Canadian magazine industry cannot now grow and flourish is negative and defeatist.

● (1650)

The NDP welcomes Bill C-58, Mr. Speaker. Had the government accepted the royal commission recommendations in the early sixties, the industry would not be in the precarious state in which it finds itself. This bill is not a panacea, but it is an important step in the right direction and we welcome it as long overdue.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I ought to congratulate the Chair. We are happy to see a former Deputy Speaker in the Chair again.

I am somewhat suprised by the presentation of Bill C-58 which aims to remove the provisions allowing deduction of expenses for Canadians who buy advertising space in *Time* and *Reader's Digest* magazines, under the pretext that this will enable them to have magazines of equal quality in Canada.

I listened carefully to the minister's speech this afternoon. I have tried to find an argument that would convince me that the passage of Bill C-58 will enable Canadian magazines to improve their publication in such a way as to be appreciated in the same manner as *Reader's Digest* by the Canadian people, and particularly by the French-Canadians. The numerous letters I received on this subject endorse my view. In none of all the letters I received asked the Member of Parliament to support this bill. On the contrary, they asked that the legislation enacted by Parliament with regard to periodicals listed in the 1965 act be maintained and fully enforced.

Mr. Speaker, in the 1965 act, amended in 1971, Canadian publications are defined in such a way as to exempt *Time* and *Reader's Digest* from the legislation. As a matter of fact, it was considered at that time that Canadian publications are those which are 75 to 100 per cent Canadian owned. However, there was an exception for periodicals edited in whole or in part in Canada in 1965, and such was the situation of the two magazines involved.

I am of the opinion that the government should first of all fully apply to *Time* and *Reader's Digest* the definition given in the Income Tax Act concerning the exact nature of a Canadian periodical. It is stated in the act that such a publication must be at least 75 per cent Canadian-owned by Canadians having a right of undisturbed possession on the shares in their name.

It is also provided in the legislation that in order to be recognized as a Canadian edition, a publication has to be drafted, edited and printed in Canada.

Then, *Time* and *Reader's Digest* are already complying with these legal requirements. Well, I should like also to indicate what financial benefits these two publications are bringing to the development of the Canadian economy. First of all, their combined annual turnover amounts to $30 million, which is quite impressive, and they do spend 90 cents out of every dollar here in Canada. They have $8 million in capital investment in Canada, that is in land, buildings, machinery and equipment of all sorts. There are

also 500 people earning a living in Canada as their employees.

There are also 1,000 other jobs, maybe more, which exist only because these firms are using Canadian materials. These firms could very well have done without having to use more and more Canadian products, but they have decided to take into account the fact that they are operating in Canada, that they have the chance of being published in Canada and so they seek to increase their business dealings with Canadian suppliers.

Moreover, it has not been said five out of the six members on the board of directors who administer the *Reader's Digest* operations in Canada are well-known Canadian personalities.

Also, as far as the Canadian culture is concerned, the selecting, reviewing and writing of the entire contents of every copy is all done in Canada, both in French and in English. The English contribution is of course larger than the French, but it remains that the bilingual character of our country is respected. According to my information, there are also some 80 writers, artists and lay-out men employed in putting the periodicals together. Moreover, there are 80 writers who are making a selection of articles out of other publications to make it a truly informative and objective periodical and to encourage Canadians to read these articles.

These periodicals also contribute Canadian articles in foreign editions of the *Reader's Digest* throughout the world, which represent a potential readership of 105 million people. I think that this is an excellent vehicle for promoting Canada abroad. These are things we must consider and keep in mind. I see, Mr. Speaker, that you are about to interrupt me. May I call it five o'clock?

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. McCleave): I have the honour to inform the House that a communication has been received which is as follows:

Government House
Ottawa May 8, 1975

Sir:

I have the honour to inform you that the Honourable R. G. B. Dickson, LL.D., D.C.L., Puisne Judge of the Supreme Court of Canada in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 8th day of May, at 5.15 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant.
André Garneau
Brigadier General
Administrative Secretary
to the Governor General

[Mr. Lambert (Bellechasse).]

GOVERNMENT ORDERS

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. McCleave): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Historic Sites—Entrance into Lower Fort Garry—Request for reconsideration; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Public Service—Suggested increase in regional pay rates in disadvantaged provinces—Government position; the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—Inflation—Government policy on relationship between Canadian and United States dollar.

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

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

AIR CANADA CONTRACT, ADDITIONS, REVISIONS AND AMENDMENTS THERETO

Mr. Don Mazankowski (Vegreville) moved:

That an order of the House do issue for a copy of the Air Canada contract and all additions, revisions and amendments thereto.

He said: Mr. Speaker, the government's refusal to provide the information requested by motion No. 24 in my name is a classic example of this government's perpetual desire to function under a veil of secrecy, no matter what the consequences may be, and without regard to the public's right to know and the public interest. Because of your earlier announcement, Mr. Speaker, I regret that my motion will not be debated for as long as I wish. I say, in all sincerity, that I find the government's reasoning incredible, its refusal to release information requested by motion No. 24 unbelievable, and if the scene we are witnessing were to be acted out in the National Arts Centre we should find it humorous. Unfortunately, this scene is taking place in the House of Commons and it is beyond a joke; it is downright contemptible.

On a previous occasion, the parliamentary secretary said that the Air Canada contract alluded to contain considerable confidential information relating to the organization, operation and maintenance of Air Canada lines. I ask the parliamentary secretary, or whoever is to respond, to tell us what this confidential information is. What is so confidential about it that it cannot be formally released to this House, especially as the contract I have requested is readily available from the Public Archives of Canada. I have the document here and I will be prepared to table it if the

government or the spokesman on the other side of the House is not prepared to do so.

When I raised this matter previously, the parliamentary secretary went on to say that Air Canada competitors are not obliged to provide such information or expose their contractual arrangements to similar scrutiny. He then said that to place Air Canada in such a disadvantageous position would not be in the public interest. That is utter nonsense. Air Canada is in a special position and enjoys advantages which other airlines do not enjoy. Under the provisions of section 16(7) of the Aeronautics Act, and sections 14 and 23 of the Air Canada Act, the governor in council directs the CTC to grant Air Canada permission to serve points X, Y or Z. The airline does not need to go through the regular channels, the ordeal of petitions, hearings and red tape to obtain the routes they choose. Air Canada is given preferential treatment and quite a free hand with regard to route approvals, as well as a free hand in schedules, levels and frequency of services provided thereafter. Section 5 of the Air Canada contract of 1950 reads:

> The schedules, frequencies and non-stop operations on the air services herein or hereinafter designated and the service to points of call herein or hereinafter authorized shall be determined by the corporation in accordance with traffic and operational requirements, technical facilities and government regulations.

It could be argued that Air Canada tends to abuse its special privileges. For example, consider how the Sudbury-Thunder Bay route was awarded. It is unlikely, if Air Canada refuses to provide the service it is supposed to provide until prodded by another airline, that the other airline will go through the expensive procedure of applying for the route if that route is to be ultimately taken over by Air Canada. For the parliamentary secretary to suggest that it is improper to expose the terms and conditions of Air Canada contracts is totally absurd, given that Air Canada is in a preferred position, that it functions as a quasi-monopoly and that it is owned by Canadians, for the benefit of Canadians. The airline's purpose, after all, is to provide for the speedy and efficient transportation of passengers and goods across Canada and points outside. Over and above that, the corporation must be answerable to parliament and thereby to the people of Canada.

That brings me to another point I want to make about all Crown corporations. I am referring to the whole question of disclosure relating to Crown corporations or, rather, to the absence or lack of disclosure in the interests of the public. I also draw attention to the current practice in which we engage, to do with the examination and scrutiny by committees of parliament of the operations, affairs and activities of our Crown corporations. In my view, there are far too many restrictions relating to the important and basic issue of the examination of Crown corporations, as the motion we are debating now makes evident.

Let me give some more examples of what I mean. I draw the attention of the House to motion No. 77, which I brought forward in the previous parliament, as recorded on page 5507 of *Hansard* for July 11, 1973. That was a request for documents and had to do with some questionable dealings concerning a change in auditors. That was a fiasco. As well, I refer the House to the request for correspondence between Sunset Crest Ltd. and Air Canada. This matter is the subject of a judicial inquiry. It seems to me that the government ought to have released such information and documents as were requested concerning Air Canada. If the affairs of Air Canada could have been scrutinized diligently and thoroughly by the transport committee, the story might now be different. The committee should have the power to look into the questionable actions indulged in by some people involved with Air Canada. But we were denied information about leases, arrangements, salaries, benefits, and so on.

Under our committee system it is almost impossible to examine and scrutinize effectively the activities of our Crown corporations. Although the officials of Crown corporations in theory answer to parliament, in fact they answer to no one except the government of the day. The result is evident. Air Canada is now being subjected to a judicial inquiry. Because of its insistence of secrecy aided and abetted by the government, the national airline finds itself in a period of turbulence and trouble. I submit, again, that if there were a requirement for disclosure, if officials of the company were forced to appear before a proper investigatory committee on a regular basis and testify, if they were forced to defend their actions and answer for them, the result would be good for the airline and would engender public confidence. As it is, the affairs of Air Canada are being probed by a judicial inquiry.

On the basis of what happened the last time these people appeared before a parliamentary committee we became convinced that, given the constraints of the present committee system under the rules, and because of present procedures and terms of reference, it would be impossible to get to the bottom of what causes the malaise within this company. That malaise has grown deeper because there has not been an effective check by parliament.

I think it is time we took a leaf from British parliamentary practice. That parliament has seen fit to establish a select committee which deals with specific nationalized industries. When it meets it looks into all aspects of the operation of a nationalized corporation, and looks in depth.

This practice, if adopted here, would do two things. It would provide for greater public disclosure; also, it would serve as an effective check on the behaviour of those charged with the responsibility and administration of that particular corporation. Considering the increased proliferation of Crown corporations in this country and the obvious need for greater parliamentary control, examination, and scrutiny, I recommend that this parliament should seriously consider the establishment of such a select committee. It should be a committee composed of members of parliament, with wide powers. It should be able to engage highly expert assistants. It should consider the operation of a Crown corporation not in a retrospective way but in a prospective way.

● (1710)

In the United Kingdom they have a committee which requires government agency officials to provide evidence requested by it. It is up to the committee to decide whether such information should be made public or not. This system imposes more effective parliamentary control over institutions of government and provides a needed system

of checks and balances. Our present committee system is too politically motivated. It functions in far too superficial a manner. The objectives of a special select committee on Crown corporations would be to review their operations experly, in a reasonable and constructive way and in the interests of the public and the welfare of the corporation.

It always appears somewhat ironic that the socialists continue to recommend nationalization. They say in that way the public will know what is going on, parliament will examine, parliament will be the final judge and the board will have to answer to parliament. That is sheer nonsense. In reality, the public has probably less access to the officers of socialized enterprises than the shareholders of capitalistic enterprises have to their officers. The more dogmatic the socialist theory becomes, the less access the people have to the operation of the socialist enterprise. If we are to have socialized enterprises established for the benefit of the people, then clearly they should be operated for the people and not for the government of the day.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Therefore, accountability to parliament must be increased and the overriding influence of senior civil servants and government technocrats must be decreased. If Air Canada or any other Crown corporation cannot stand up to a thorough and effective scrutinization, the management should clearly be questioned. On the other hand, if they are handicapped because of undue government interference and too much pressure by the government of the day, that should be brought out into the open so that the public can judge whether their mandate is being properly carried out.

My time is almost up. The parliamentary secretary may wish to respond. I hope he will not be as hostile as the Parliamentary Secretary to the President of the Privy Council (Mr. Reid). I hope that on behalf of this government he will come clean, take one step forward and produce information that rightly belongs to this House and the public.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member for Vegreville (Mr. Mazankowski) has been very persuasive in his argument. He stated that he has obtained part of the copy of the Air Canada contract dating back to 1937. Because of that, and the fact that he has made some very persuasive arguments, he has convinced me that he should have all of the contract. There are other orders in council that go with this. I propose to agree to the hon. member's motion. If I get the unanimous consent of the House, I propose to table those copies.

Some hon. Members: Hear, hear!

Mr. McIsaac: There is more than one order in council that makes up the current contract. I must say that I believed what I told the hon. member in my earlier answer. At that time I was not personally aware of all of the contract. I do not mind telling the hon. member that I agree in a general way with the spirit of his remarks. Some of the problem and perhaps misunderstanding with regard to Air Canada and other Crown corporations could be prevented if there were more agreements to the kind of request made by the hon. member. There is no reason, in my mind, why there should be any tremendous security surrounding Crown corporations such as Air Canada.

Some hon. Members: Hear, hear!

Mr. McIsaac: As I say, if we are going to do in this House as we did a few weeks ago with regard to rail transportation and costing, surely the same argument should apply to making available what has been requested by the hon. member in this regard. I will accept the hon. member's motion. When we have dealt with it, I will ask for unanimous consent to table two copies of the contract, in English and in French.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, even before we got the favourable word from the other side of the House, I was prepared to support the motion of the hon. member for Vegreville (Mr. Mazankowski). I am delighted that the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) has indicated the government is prepared to agree to it. It does seem ridiculous that a document which is available in the public archives is one that the government for so long has been refusing to table in the House of Commons.

Mr. Guay (St. Boniface): It will support a pension bill, too.

Mr. Knowles (Winnipeg North Centre): My good friend and neighbour, the hon. member for St. Boniface (Mr. Guay) who represents a constituency just across the river from me, has brought in the question of pensions. I certainly hope that one of these days very soon he and I will be able to persuade the Minister of Transport (Mr. Marchand) to talk turkey to Canadian National Railways and get something done about those pensions. I know that is not the subject, but I do not mind getting off into it. However, I can hear our very efficient occupant of the chair saying "Order".

I always enjoy these quips with my good friend from Vegreville about socialism and socialists. He either looks at us or appears to be looking at us. However, I thought there was a bit of inconsistency in his argument today. He cited the United Kingdom as a place where this sort of thing would not happen because they have a special committee to deal with nationalized industries. Does he not know that it is a Labour, or socialist government in Britain? Does he not know that in Sweden, a socialist country, they have the best arrangement in the world for making documents public? The trouble with socialized industries in this country is that they are run by Liberals.

Mr. Horner: Socialists in a hurry; that's the only difference.

Mr. Knowles (Winnipeg North Centre): I say to the hon. member for Crowfoot (Mr. Horner) that the Liberals are in a hurry only in times of minority government. When they have the kind of majority they have today, their speed is that of either a tortoise or a snail. Take your pick. At any rate, I got that off my chest. The hon. member for Vegreville and I have had the kind of exchange in public that we sometimes have in private. I join with the

rest in saying we are glad this motion is going to be carried and that the documents in question will be tabled.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I do not intend to take very much time in this discussion since the parliamentary secretary has swallowed his earlier words and is now prepared to table documents which he previously withheld. Because I think it is a remarkable development, I want to deal with the demonstration that is inherent in the action by the parliamentary secretary today and the absolutely arbitrary method in which documents are considered to be confidential or not confidential.

We have a situation here where an Air Canada contract was regarded as confidential yesterday. Suddenly, today, by some act of magic or some magic wand, it is deemed to be acceptable to table it in the House of Commons. Yesterday it was confidential, today we can have it. That indicates how completely arbitrary the position of this government is as to keeping public information out of the public domain. There is obviously no consistent policy on the part of this government regarding information. There is no consistent policy with regard to what is to be held back in the public interest and what is to be made available to the House of Commons in the public interest.

● (1720)

We have known for some time that the government has no information policy except as indicated to me by an assistant deputy minister in a senior department, that is, to stamp "Confidential" on the toilet paper or any other paper which happens to be in circulation in the offices. Surely today we have underlined the complete absence of any kind of over-all policy regarding the public right to information. It has been made absolutely clear that the decision whether a document should be published or should remain secret is an arbitrary one depending on such things as the state of the moon, or which side of the bed the minister or the parliamentary secretary got out of in the morning.

Yesterday the document was so confidential that neither parliament nor the public could be permitted to see it. Today, by some magic occurrence, it can be tabled in the House of Commons. I welcome the tabling of the document. I welcome the latter-day conversion of the parliamentary secretary. I hope he does not disappear from our midst as a result of his conversion to the point of view that parliament has a right to obtain information with which it is properly concerned.

While the decision is very welcome, it demonstrates, as nothing else can, how arbitrary is the information policy followed by the government and the complete lack of consistency regarding what will be kept secret and what will be made public. It also underlines the futility of the guidelines applied to the release of information. We now know that the only guideline is what members on the treasury benches opposite want to do. In a system which is supposed to be concerned about the informed participation of the citizenry, that is obviously not a proper viewpoint to take.

Mr. Speaker: Order, please. Is it the disposition of the House that I should put the motion?

Some hon. Members: Agreed.

Motion agreed to.

Some hon. Members: Hear, hear!

Mr. Speaker: Does the Parliamentary Secretary to the Minister of Transport (Mr. McIsaac) wish to table documents in pursuit of the motion?

Mr. McIsaac: Yes, Mr. Speaker, two copies in both official languages.

THE ROYAL ASSENT

[*English*]

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

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

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

● (1730)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General has been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-44, an act to amend the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act—Chapter 44.

Bill C-34, an act to amend the Farm Credit Act—Chapter 45.

Bill C-367, an act to amend the Fort-Falls Bridge Authority Act—Chapter 46.

At 5.37 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Faulkner (on behalf of Mr. Turner) that Bill C-58, to amend the Income Tax Act, be read a second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Non-Canadian Publications

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, it is in a very unpleasant mood that this House is dealing with a bill which, offhand, may seem of little importance but which is nevertheless very important. I wish to continue the remarks I had begun before the private members' hour.

I must say that this is the third time that this matter has been put before the House and twice the Liberal government contended that to allow the tax deductibility of advertising expenses of both magazines was beneficial for the Canadian people. How is it that it was justifiable in 1965 and in 1971 and that it should be condemnable in 1975? Was the government right in 1965 and in 1971 or is he right in 1975? Such are the questions which must be asked and about which Parliament is entitled to answers from the government. What justifies the government's new attitude on this matter which is raised today the same way it was ten years ago?

It might be interesting, Mr. Speaker, to review the reasons put forward by the government members at that time and those put forward in 1975. Why this policy reversal? As for me, as member for Bellechasse, I am wondering about that. I would like very much to get answers and very clear explanations. Why the change in attitude? Will that be really beneficial for the Canadian people? Will the Americans be the losers? In short, what will be changed? I think we are entitled to very clear answers from the minister who piloted this bill. As for me, I am ready to receive the explanations that will be provided so that we may give valid answers to our electors, since we have received many inquiries on that matter.

● (2010)

I imagine all hon. members are in the same situation. Many people have taken the trouble to write asking that we take such or such a stand. The majority of letters I received, as I said this afternoon, were mostly in favour of maintaining the *status quo*.

So can the minister tell the House whether those who advertise or those who own the magazines in question will be the losers? Who will be the losers? Who will be the winners? We need to know. In view of the large public appeal of *Reader's Digest* I tend to think that Canadians will continue to advertise in those magazines, even without the benefits available under the act. I am giving a pretty neutral opinion but I think that actually, with or without the benefits, in view of the large circulation of those magazines, current advertisers will continue to advertise. So, working on that assumption, I consider that Canadians will be the losers from a monetary standpoint. According to a *Canadian Fact* poll, even if *Reader's Digest* loses advertisers, that does not necessarily mean that other Canadian magazines will benefit because they do not have the same circulation; proper consideration must be given to how many people will be reached by an ad.

The same poll shows that 85 per cent of surveyed advertisers want Section 19 of the Income Tax Act to remain as it is. According to the surveys made by *Canadian Fact* of *Digest* subscribers who were asked whether they found the magazine to be a threat to our Canadian culture, 65 per cent answered no. So, to have a valid opinion, the reader must be consulted in order to find out whether subscribers feel robbed of their culture by reading such or such an article in that magazine. Twenty-two per cent do not have an opinion or did not want to answer; 7 per cent agree to some extent that it may affect the Canadian culture, and 6 per cent fully agree and are convinced that it is likely to hurt the Canadian culture.

So one can conclude that there is a ratio of 6 per cent to 65 per cent on the cultural side. I would not want to leave the impression that I am more in favour of Americans than Canadians. There is no need to try and show that my preference certainly goes to Canadians and my country. I must analyse the situation objectively in order to be able to make a decision. I hope it will be the right one and if I happen to be wrong, I would not do any worse than those who made mistakes in 1965 and 1971.

However, if the present legislation could be enforced more strictly, I think that eventually the Canadian *Reader's Digest* would be owned entirely by Canadians. We would then benefit from the experience and the great value of a first rate magazine. I am not attempting to depreciate the others, but I must say that we tried to develop in Canada magazines of true merit. I recognize that we have succeeded, but it does not mean that we should no longer appreciate the fact that many Canadian readers subscribe to a magazine that reports a great number of facts, discoveries and data from other countries that could benefit Canadians.

All the same, we must be sincere and fair in our legislation. I think that each of us is striving to be in the reasons that we put forward to justify our decisions.

I for one remember that a few years ago in the province of Quebec the alarm was sounded with this slogan: Masters in our own house. I remember quite well. Thank God, I still have some memory. Newspaper pages were not big enough to print the key of the masters in their own house, it had to be printed diagonally. Quebecers believed in that memorable phrase: Masters in our own house. However, ten years later we realize that we are not any more masters in our own house than we were before.

One after the other, the Quebec governements have kept going to New York to beg for the money needed to develop our natural resources. Then, we are not yet masters in our own house, we still depend on American financiers. If my memory serves me well, the Canadian government and all the provinces, including Manitoba, did the same thing. They are still going to the United States to ask permission to develop our natural resources. The credit of our country is based on the work of Canadians that is guaranteed by our natural resources, the processing of all kinds of products that our people can use to satisfy their needs. In 1975, we still have to ask permission to New York financiers when we could do otherwise.

We depend on American finance when our country, under the authority of Parliament, the House in which we are sitting tonight, the "salon de la race", should be the supreme authority in our country. We could proceed otherwise under existing legislation, if we decided to act, to exercise fully the authority of a sovereign Parliament and I am in favour of a sovereign Parliament. I am so today, as I was yesterday and will be tomorrow. Because I believe Parliament is the chamber of the representatives of the whole country, of all parts of Canada. According to the

Constitution, we are sent here, in a democratically-organized chamber, in order to legislate, to pass laws, to administer the country, and we do hope that we will administer the country in a sovereign Parliament.

That is why I am convinced that we have authority to act legally and, then, to have the decisions of Parliament carried out by the government which consists in the Cabinet. Ministers are there for carrying out the decisions of Parliament. This is the way I feel our democracy should be.

If we do want our ministers to administer this country efficiently, we must give them tools, it is imperative that we show to the people of Canada that we are truly responsible at any level, even at the financial level which is as was said not so many years ago, the sinews of war. Well, if finance is the sinews of war, it is also the sinews of social peace which is a must to administer a country, to be able to really be an autonomous people, a people willing to be the master of its own destiny. I am convinced that the ministers here tonight in the House realize the full significance of what I am saying, and they perfectly know that I speak with the utmost sincerity, because I am fully aware that I am a member of this House which is the supreme authority in my country, and that I am ready to cooperate with all my colleagues, so that we could offer all organizations and citizens of this country with a healthy administration.

It is not only through writings, Mr. Speaker, that culture may be threatened or improved. What is going on with films and television? Nobody can stop Canadians with a TV set from turning it on and picking up American programs. Those programs come to us, our young people watch them. I have children at home and they look at those programs. They are interested or they are not. Future will tell us to what extent they may have been impressed, to what extent our culture will have been improved or destroyed by movies coming from the United States via television.

We let ourselves be overrun, although we do have people with real talent. It is always a surprise for me, week after week, whenever I have a chance to attend events put up by teachers or welfare organizations, who have young people acting in plays as we used to say. I am always favourably impressed with the easiness and talent displayed by our young boys and girls performing in sketches from which a moral can be drawn. They may not always understand the true meaning, of what they play but later on in life they will.

● (2020)

I remember when I was a small boy, I acted with seven girls in a play at the village school. I was the only boy at the end of the row, and I had a role to play. At the time I did not understand it very well, but today I do, and this is why I have a better understanding of Parliament's role.

I remember very well the last sentences which ended the play. We called it the grumbler's scene. There was this teacher who was always dissatisfied with his pupils. If the door was open, he would say: Shut the door. If the door was shut, he would say: Open the door. In my role I had this to say to the teacher: "Finally, do you know exactly what you want? A door must be either shut or open. How do you want it?" And that ended the play. Well, we have the same thing here. We wish to be either a sovereign Parliament, or a dependent Parliament. How do we wish it to be? If we would have a sovereign Parliament. we will have to do what is needed. As far as I am concerned, I am aiming at the essentials, not what is accessory. The essentials I put above everything else. This is why I am against this legislation, because in my view it is not truly essential.

Other measures are vitally needed, but nothing is done about them. We did propose such measures. We are sometimes told that we, in the Social Credit Party, have it easy, because all we have to do is criticize, we have no responsibility as far as governing is concerned. I am well aware of that, but give us a chance to manage this country.

Mrs. Sauvé : Ask the voters!

Mr. Lambert (Bellechasse): This country is in the worst situation in years.

Mrs. Sauvé: That is for the voters to decide.

Mr. Lambert (Bellechasse): The voters do decide and I am quite happy that they do. However, we do not have the same possibility as the traditional parties of reaching the voters. Those parties influence the voters and the situation remains the same.

Mrs. Sauvé: You must organize more meetings!

Mr. Lambert (Bellechasse): Let me finish my statement and you will see that what I suggest is not so stupid.

I do not wish to make personal remarks since I have always admired my colleagues in this House. When I had the opportunity to speak, I have also respected the opinions of my colleagues. I believe this to be true. Let us be aware of the fact that our country is in an extremely difficult situation. We must fight, on one hand, against a terrible situation called inflation and, on the other hand, against an even more terrible situation which is called unemployment. This is no fun for anyone.

I am not saying that the government is responsible for this. This situation has been brought about by a whole set of circumstances. It has been caused by a system that is diseased, which sometimes opens the valve too much. Then the pressure goes up. Afterwards, the valve is closed up too tight, and the pressure goes down. So, we are never comfortable. We have often suggested to the House, as I am doing again tonight, that we make an earnest effort. We could do worse than the others who tried. We are at the bottom of the hill. The cart is stuck in the mud up to the axles. It cannot sink any further.

Let us try at least new formulas to finance our country, other formulas than those that we have applied until now, at least in the public sector. I believe that it would not be unreasonable for Canada to try to implement a new formula, and if we fail, it would not be worse than in your case: you did fail! Then, we shall say that there is no magic formula. The formula is as follows:

Mr. Béchard: Which one?

Mr. Lambert (Bellechasse): I thank the hon. member for Bonaventure-Îles-de-la-Madeleine for his question. This is great! He is a good friend of mine. I know that he is responsible, reasonable. He is asking me: Which formula? Here it is:

The period from 1930 to 1940 was unproductive, a period of inflation, deflation, unemployment, that I and several other members of this House lived through. We had at our disposal some means to feed the people but we did not have any financial means. The then Prime Minister Mr. Bennett, from 1930 to 1935, tried all kinds of formulas to give work to the people. We called that, in the Quebec area, for those who went to work in Valcartier, "the 20 cents". I do not know if you remember that, but I, for one, do remember.

Mrs. Sauvé: We are too young.

Mr. Lambert (Bellechasse): The young people went to work in Valcartier for 20 cents a day; quite a bright future on 20 cents a day! It is really possible to build a house, to build a future! In 1935, the government went to the people. They called an election and it is on that occasion that the leader of my friend, the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard), was elected prime minister.

Mr. Béchard: When was that?

Mr. Lambert (Bellechasse): In the days of Mackenzie King. He was the one who, during the election campaign, made the same remarks that I am making here tonight. On September 23, he stated in Saskatoon . . .

Mr. Béchard: Were you there?

Mr. Lambert (Bellechasse): No, I was not there, but newspapers reported what he said. And in those times, the newspapermen really gave information. Then we were told . . .

Mrs. Sauvé: They were not paid for that then.

Mr. Lambert (Bellechasse): They were not paid or coaxed: the party fund took care of that. Mr. Mackenzie King said this: As soon as a people, a nation does not control its currency and its credit, it is useless to talk about democracy. And then he added: If I am elected, the Canadian people will witness the greatest battle between Canadians on one hand and the government and high finance on the other hand that Canada will have ever seen. Then Mackenzie King was elected. So the battle never took place, because he was on the side of those controlling currency and credit in our country. He did something that every Canadian should be proud of. He introduced a legislation establishing a Canadian bank. At that time, they gave the Bank of Canada limited powers but in 1975, we can give the Bank of Canada less restricted powers, in order to allow the government to finance the public sector without being forced to borrow continuously from foreign sources at usurious rates exceeding sense and sensibility. If we, in Canada's Parliament, really want to be responsible citizens in this country, to be a Parliament with a supreme authority, we are empowered to amend that legislation in 1975, so as to authorize the Bank to coin credit for Canadians and to lend at interest rates not exceeding administrative costs.

We have forgotten that the monetary system of a country must be a service meant to serve instead of being exploited by private institutions, just as the postal system must serve all Canadians. The monetary system must serve all Canadians. No one should have the privilege of multiplying by 12, 15 or 16, as is the case now, the deposits of Canadians.

That is where the evil lies, and if we refuse to consider seriously the fact that those are the main tools of those who control our economy, we will never accomplish anything because money is the mainstay, the main tool in our economy. A while ago, I was asked what I intended to propose. This: that we discuss seriously and decide once and for all to amend the Bank of Canada Act in such a way that the Bank of Canada will truly be the Bank of Canadians, the bank serving Canadians. Then, we can shout, arms outstretched to the skies, that we are truly masters in our own house.

• (2030)

[*English*]

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, it is not easy to rise tonight to speak on Bill C-58 and voice the criticisms which I intend to make this evening without being labelled anti-Canadian. I find it hard because I am as fiercely patriotic and as proud as anyone in the country. I long for the day when we, as Canadians, exercise control over many areas of our economy which are presently foreign dominated, but it is important that one remain realistic, and start from conditions as they exist and not from a position that we wish existed. On the one hand we must learn by our mistakes and not lack the courage to initiate measures which will correct those errors. On the other hand, we must face the consequences of our actions and not let our emotions control our minds.

What is this bill attempting to do? The Secretary of State (Mr. Faulkner) has authorized his special assistant, when replying to letters, to state as follows:

> In the government's view, it is necessary to remove from the Income Tax Act an inconsistency in the application of the law and a provision which works to the disadvantage of Canadian periodicals.

The letter goes on to say:

> Whatever may be the results of the new legislation regarding the operations in Canada of *Time* and *Reader's Digest*, they will continue to be sold in Canada and provide the kind of reading material which is enjoyed by their many readers.

Who is being inconsistent? Has anyone told the Secretary of State that advertising revenues and the number of subscribers go hand in hand? When the readers of *Reader's Digest* are subscribing to American rather than Canadian editions will they, as proud Canadians, start buying Maclean's?

A press release issued by the Secretary of State quotes a royal commission as follows:

> A nation's domestic advertising expenditure should be devoted to the support of its own media of communications, and . . . a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

Let us look at that point for a moment, Mr. Speaker. In 1973 general magazines had a 2.4 per cent share of net

advertising revenues, or $32 million of a total of $1-1/3 billion. Radio took 11 per cent of that total and television 13 per cent. Radio and television have increased their share of the market, while the share to general magazines has decreased. The real competition for advertising revenues is not foreign controlled magazines but other media. Even amongst magazines, have the Canadian magazines fared badly in comparison to American controlled competition? *Miss Chatelaine, Chatelaine* and *Maclean's* have all experienced greater growth than *Reader's Digest.*

The three Maclean-Hunter publications had a total advertising revenue in 1973 of over $12 million, or 42 per cent of the total advertising revenue of the publications comprising the Magazine Association of Canada. This compares with $6 million for *Reader's Digest.* I do not believe I am being unfair in suggesting that the motivation of Peter Newman might be profit rather than patriotism. Of course it could be argued that the two go together.

A survey conducted by Canadian Facts Limited indicated that only 7 per cent of the advertising revenues of *Reader's Digest* would be diverted to Canadian magazines. That is approximately $400,000.

What is the real cost to Canada? Inspection of Reader's Digest Association (Canada) Limited records indicates that five of a board of six *Digest* directors are Canadian. All of the officers of the company are Canadian citizens, all 500 employees are permanent residents of Canada, and the company gives work indirectly to at least 1,000 other Canadians.

The two magazines are fully edited in Canada for Canadians.

Reader's Digest employs some 80 editors, graphic and production staff on books and magazines. Both magazines have substantial Canadian content amounting to an annual average of 24 per cent English and almost 15 per cent French. Almost 80 Canadian freelance writers, researchers and artists look to *Reader's Digest* books and magazines as a market for their work. The company has invested $8 million in buildings and manufacturing equipment. *Reader's Digest* Canadian produced magazines, books, record packages, and educational materials are welcomed as suitable for all age groups.

Close to six million Canadians read and enjoy the Canadian edition of the *Digest* every month. *Reader's Digest* Canadian material is made available to, and much of it is used by other editions around the world. Some articles receive exposure to 100 million readers in 13 languages. *Reader's Digest* has made some 32 per cent of its common stock available to Canadians through a public issue, the only *Digest* company in the world to do so. Shareholders bought their stock with the understanding that the company's operations were not under any threat at the time the stock was issued. *Reader's Digest* had that assurance from the government.

● (2040)

Reader's Digest has exceeded every guideline for corporate citizenship ever declared by a government of Canada. The *Digest* has already outlined to the Secretary of State the economic alternatives facing it if section 19(2) is removed. The only one that would leave it in even a marginally profitable position was based on the following assumptions: ceasing publication of the French language edition, which for years has been subsidized by other profitable operations; importing all English language editorial material from the U.S., with no Canadian editing and selection of articles; dismissing English and French editorial staffs and reducing employment elsewhere in the company. Survival on these terms would mean substantial loss of employment, reduced *Digest* expenditures in Canada, the loss of the French edition, and the abandonment of Canadian content—in other words a complete negation of Canadianization policies built up over the last 30 years.

Mr. Crouse: Are you listening, Hugh? This chap makes sense.

Mr. Herbert: French-Canadian readers, 1.3 million of them, stand to lose an edition in their own language edited by French-Canadians. French-language editions published in France or other francophone countries are not a practical alternative for French-Canadians.

English-Canadians would lose the substantial Canadian content now in the magazine—24 per cent last year, rising to 30 per cent. They would lose the research, complete editing and article selection now performed by the Canadian editorial team, and would receive instead a magazine edited and designed for American readers. Canadian authors would lose a good market for their work. *Reader's Digest* Canadian edition's articles about Canada could not be financially supported, and thus would no longer circulate world-wide to an audience of 100 million readers.

Canadian magazine growth since protective legislation was introduced in 1965 has been healthy. Eighty-seven new Canadian magazines, each with a circulation of over 10,000, have emerged since 1965. Total annual circulation of these magazines is 199 million copies. Moreover, with some exceptions, established Canadian magazines have done well. Last August, Lloyd Hodgkinson, publisher of *Maclean's,* was quoted in the Toronto *Globe and Mail* as saying, "We have just had the three most prosperous years in the last ten at *Maclean's, Chatelaine* and *Miss Chatelaine.*"

Has the present Canadian publishing industry considered what would be the effect on it if other countries adopted a requirement on ownership and content similar to that detailed by the Minister of National Revenue (Mr. Basford)? Thomson Newspapers Limited, through U.S. subsidiaries, publishes some 49 daily and seven weekly newspapers in the United States. Maclean-Hunter Limited in the United Kingdom publishes business periodicals through a wholly-owned subsidiary. In the United States Maclean-Hunter Limited publishes business periodicals through a wholly-owned subsidiary. In France, Italy, Germany, Austria and Brazil, through 50 per cent affiliated companies Maclean-Hunter publishes trade and business periodicals.

Would not our Canadian industry be severely weakened if other countries, specifically the United States, retaliated against the measure we are discussing? Let us face facts. In 1973 Canadians invested more money in foreign countries than was invested by foreigners in Canada. We may not like to see so much of our economy foreign-controlled,

but the Canadian investor does not seem to be sufficiently concerned that he wants to buy out foreign investments in his own country.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) has clearly indicated government direction with the Foreign Investment Review Act, a bill which I chaired through committee and which is, I believe, a positive approach to Canadian control. The same ministry issued in 1966 a listing of a dozen guiding principles for good corporate behaviour in Canada. These were for the subsidiaries of foreign companies in Canada. The Reader's Digest Association (Canada) Limited has faithfully lived up to and exceeded those principles.

Let us look for a moment at the clause that requires that issues of a periodical must not be "substantially the same" as one or more issues of a foreign periodical. Since the basis of the *Digest's* world-wide editorial operation is an exchange of articles of international origin and universal interest, a drastic change in the magazine's content and character would be necessary to meet such a requirement. If such a change were made the magazine would no longer be the *Digest*. Paradoxically, the clause would also inhibit *Reader's Digest* from circulating Canadian material abroad, since each time a Canadian article is used in an international edition the Canadian edition becomes more "substantially the same." No publisher, and no reader, could support such a grave restriction on magazine's editorial freedom.

I want now, Mr. Speaker, to turn to the consideration of dumping, corporate profit, and its relevance to this bill. In 1974 *Reader's Digest* paid $1.6 million in Canadian corporate taxes; the company had a net income of less than $1.5 million, re-invested over $500,000, distributed nearly $300,000 to its Canadian shareholders, and exported, although I do not like the term, something over $500,000 to its parent company. That is what we Canadians paid in 1974 for the foreign investment in Canadian plants and equipment and the creation of 1,500 jobs. That is about 8 per cent on investment, or $400 per job. That return, which could surely not be termed excessive, would be substantially less if the parent company charged more for the material it supplies. Thus I suggest that, thanks to the U.S. parent, Canadians are provided with good material at low cost, and benefit at the same time from the corporate taxes levied on the extra profit resulting from this policy. Far from being detrimental this, I suggest, enables us to make a double gain.

The debate on this bill, Mr. Speaker, would not be complete without reference to the cultural aspects. Is *Reader's Digest* American culture? Is *Maclean's* Canadian culture? Do we want less of the former and more of the latter? It is not that simple a choice, even if we answer yes to all three questions. We will certainly lose the Canadian content in the American *Reader's Digest*. Will we buy fewer copies of *Newsweek* and U.S. *News and World Report*, or fewer copies of *Playboy* or *Paris Match* because they are American-owned or foreign magazines? Incidentally, Air Canada had a full-page advertisement in the April issue of *Travel and Leisure*, which magazine has a large Canadian circulation. CP Air had a full-page advertisement, and CN also advertised in this same magazine. All that advertising was paid into American companies and was presumably 100 per cent deductible as an expense.

If I may refer to a recent edition of another U.S. magazine, well over two thirds of the advertising in this magazine applied to products available in Canada. I doubt if the influence on the Canadian consumer goes without recognition.

● (2050)

I would like to quote a few points from articles in magazines and newspapers on this subject which I think are quite pertinent. Martin Murenbeeld, associate professor at the University of Toronto's faculty of management, writing in the Toronto *Star* said, and I quote:

> To run the risk of error in over-simplification I submit that *Saturday Night's* problems were not lack of advertising revenues, but lack of consumer appeal. Its circulation is poor; business recognizes the facts for what they are and so does not rush at the opportunity to advertise in its pages. Peter Newman and others will no doubt correct me in my belief that audience appeal leads to circulation leads to advertising revenue . . .
>
> Canadian culture is something that I and many others personally believe in and wish to contribute towards building. This does not, however, mean that we as consumers must be forced to consume Newman's, the Committee for an Independent Canada's, or anyone else's interpretation of what Canadian culture might be.

Mr. W. E. Belliveau, president of Wilshar Advertising Limited, stated in a letter to the Montreal *Gazette*, and I quote:

> How many of your readers know that the Maclean-Hunter group already controls 50 per cent of the Canadian magazine publishing industry, plus radio and television stations? With the loss of *Time Canada* and *Readers' Digest* this monopoly could exceed 70 per cent. Are we to trade *Time Canada* for the monopolistic editorial view of world news that would be supplied by the Maclean-Hunter group?

George Radwanski, writing in the Montreal *Gazette*, said:

> —if a publication could attract readers in the absence of these giants—

That is referring to *Time* and *Reader's Digest*.

> —it could also do so right now. And if it can't, then the problem isn't unfair competition but reader appeal.

In a recent edition of the Ottawa *Citizen*, there is an editorial which begins as follows:

> The regulations governing *Time* and *Reader's Digest* to qualify them as Canadian publications, announced by Revenue Minister Ron Basford, are wrong in principle and should be dropped . . .
>
> The regulations amount to censorship. It is reasonable to insist on Canadian ownership for a publication to get a Canadian tax break. But it is quite wrong to control content.
>
> In a free society, the contents of magazines and newspapers have to be left to their staffs and subscribers. There may be many publications whose contents the government views with distaste. That's too bad; but that's democracy.

In a recent article, Charles Lynch, who is not always a good friend of the government, said and I quote:

> When governments enter the picture, subsidies cannot be far behind, and government subsidies in the field of publication almost invariably are bad news, never more so than when they are coupled with appeals for patriotic support of the publications in question.

My last quote is a comment in an editorial in the New York *Times*. I think it is of significance. I quote:

> Cultural chauvinism, never an attractive feature in the affairs of modern nation states, is particularly objectionable when translated into governmental policy reinforced by economic sanctions . . .

—we do not see how a democratic country such as Canada could justify in any way the proposed policy of dictating editorial content. Any prescribed quota of Canadian content would be a form of government censorship.

Ultimately, the issue is neither one of percentages nor of the quality of the material. If Canadians feel that they are badly served by foreign cultural imports, they can always respond by producing better publications at home and lending their patronage to foreign magazines more sensitive to Canadian interests. Censorship or news management by law are the wrong answers.

I have tried to outline the reasons why it is my sincere hope that when this bill gets into committee there will be amendments proposed which will rectify some of the injustices I believe are presently being done, particularly to *Reader's Digest*, a good corporate citizen. That company has tried hard to follow all the directions of the government, and has endeavoured to live up to all the principles that have been established by the government.

In conclusion, as a member who was elected to support this party I shall abide by the majority wishes of this party which have been clearly expressed in caucus, and I shall vote to send this bill to committee. My speech tonight is made with the sincere hope that in committee suitable amendments will be proposed so that the disastrous effects of the legislation as it is presently drafted will not mean the demise of *Reader's Digest* magazine.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, although I do not have a reputation for offering gratuitous bouquets to members opposite, I would be mistaken if I did not commence my remarks this evening by saying it was a pleasure to be able to sit through the speech of the hon. member for Vaudreuil (Mr. Herbert). His comments were well informed, balanced and very fair. I hope his colleagues on the government side, particularly the Secretary of State (Mr. Faulkner), were attentive to what he had to say and will be responsive to the concerns he expressed.

All of us agree with the goal of trying to give protection and incentive to the Canadian magazine publishing industry. There is no question about the validity of that goal or our desire to see it achieved. While we agree upon the goals we would like to see achieved, we differ sharply on the means of realizing them.

I am an economic nationalist. I believe it is vital that we control our own economy if we are to remain as an autonomous country. It must be obvious that, if the political independence of this country is to be meaningful, we must ensure that decisions as to the future of this country and its people are made here in Canada and not in the corporate board rooms, union head offices, or legislatures of other countries.

Since the days of Macdonald the members of this party have strongly supported the concept that there is a need for the government to act to protect our nationhood and give incentives and protection to Canadian industry to develop here in Canada. However, we have also taken the position that our nationalism must not be destructive. It must not be timid, inward looking, or xenophobic. This is something that distinguishes us most directly from our friends to the left and from some of my colleagues across the way. Very often the comments they make under the guise of nationalism seem to be anti-American or xenophobic. They show some expression of a national inferiority complex. They feel we are incapable of competition on an international scale.

Let us do whatever we can to give protection to Canadian industry and Canadian culture, but let us be careful that when we provide protection for our industries and our countrymen that we do not also deprive our people of the benefits of international competition and the enrichment of our national fabric that comes from interchange with those from other countries. Let us also make sure that we do not simply enshrine mediocrity as a national goal.

● (2100)

Just as I am an economic nationalist, I am a cultural nationalist. There is no purpose in maintaining the mechanisms of political autonomy, or of being masters in our own house in economic affairs if, when we make decisions, we think in the same way as we would think if we belonged to another country. We are responsible for creating an environment in which Canadians are able to live their own lives, to foster dreams which are unique to this country, and to set goals which are good for Canada. It is for this reason that I think we cannot help, as a parliament, being economic nationalists and, as well, cultural nationalists.

I personally support unequivocally the government's plan to disallow advertizing write-offs for television when that advertizing is shown on American television stations and aimed at Canadians. The broadcasting industry in Canada today is threatened in large part by the myopia suffered by Canadian governments and by the ham-fistedness of those governments in dealing with the broadcasting industry. We must give whatever assistance is necessary to prevent limited advertizing dollars from being bled off into the United States, especially when we receive so little in exchange.

The provision contained in the bill before us is a position step in favour of Canadian nationalism and is not one which is designed to penalize anyone or to get at a particular corporation. It is readily defensible, because what the measure is designed to do is to give some degree of protection to the Canadian industry. I do not think the U.S. can very properly object to our desire to keep Canadian dollars from flowing out to American television stations when the products they advertize are American and contain little of Canadian content.

If the actions of the government since the minister has been Secretary of State had been positive and aggressive, if he had taken action to protect our fledgling film industry or to encourage our book-publishing industry and our Canadian magazine industry, I would not view the legislation before us with such suspicion. But that is not the case. The measure we are considering here is a punitive action more fitted to drive American-owned publications out of our country rather than building a strong and vital Canadian publishing industry. This is the one thing which to me, Mr. Speaker, distinguishes the actions of the government and of the Secretary of State. Far from creating, through aggressive positive policy, an environment in which the Canadian publishing industry can prosper and thrive, the government instead has taken merely symbolic

and punitive actions against two prominent American corporations.

Mr. Baker (Grenville-Carleton): Merely punitive tokenism.

Mr. Beatty: As my hon. friend says—punitive tokenism. Mr. Speaker, make no mistake about it, the passage of the bill before us will not ensure the success of the Canadian publishing industry. Speeches of members on the other side leave the impression that once the Canadian editions of *Time* and *Readers' Digest* have been killed we shall move into the golden age of the Canadian magazine industry. Such is not the case. Indeed, there is a significant possibility that the action we are contemplating may be detrimental to the future of the industry in Canada. As Canadian advertizers may well find, it is by no means certain that the remaining periodicals in Canada will give economic access to sufficiently large markets to make advertizing in Canadian periodicals a worthwhile prospect.

We might very well find that because of the absence of a package which would include *Time* and *Readers' Digest* to deliver a large market to Canadian advertizers at a very low cost, advertizers will be inclined to shift their advertizing dollars to another medium, resulting in money going from the publishing industry to some other media. Indeed we have only to look at the size of the market reached by *Time* and *Readers' Digest* to realize how important they are as part of a package to deliver a large advertizing market to Canadian advertizers.

Readers' Digest is the number one magazine in terms of readership sold in Canada. *Time* magazine is number four. The survey which was taken on behalf of *Readers' Digest* by Canadian Facts Ltd. showed, as some previous speakers have mentioned, that probably only about 19 per cent of the revenues which currently go to *Time* and *Readers' Digest* will go to Canadian periodicals instead. The government disputes this figure, as did the hon. member for Sault Ste. Marie (Mr. Symes) earlier. But no one has offered any evidence to the contrary. It has simply been said that the figure might be wrong, or that it was felt to be wrong. What is striking about the minister's attitude in this regard is his insistence on pushing ahead, forcing the legislation through the House before we have had an adequate opportunity to assess the impact it will have upon the Canadian periodical industry.

I think it worth saying, because it is true and because it is not stated often enough, that Canadians have not been ill-served by *Time* and *Readers' Digest*. I listened with interest to the hon. member for Sault Ste. Marie decrying the activities of *Time* magazine. But I do not think we have been ill-served by *Time*. Yes, that magazine does give an American perspective, but it also provides an extremely good synopsis of world events over the week. I would argue that as well as reading *Time* we can diversify our reading by following comparable magazines published in other countries, such as *The Economists*.

Even if the elitists among us—people like the Secretary of State—believe that Canadians have been ill-served and that their needs have not been satisfied by *Time* and *Readers' Digest*, I would plead with the government to listen to the voice of the Canadian public. Canadian readers do not believe they have been ill-served. It is apparent when one considers that *Readers' Digest* enjoys first place in sales of magazines, and *Time* is number four, that these periodicals fulfil a need in Canada. The Canadians in my constituency who are regular readers of *Readers' Digest* and *Time* do not buy these magazines because they think that they are poor in quality or content; they do so because they find they have needs which are only being met by these publications at the present time.

The minister may argue that it is necessary for Canadian magazines to fill the void. I hope that Canadian magazines will do so. But I would prefer to see Canadian magazines growing up in competition with the magazines we now have available to us, rather than see those two particular magazines destroyed and merely hope that Canadian successors will be good enough to take their place.

With respect to *Time* magazine I would point out that the reporters working for that publication have distinguished themselves among others in their profession. Although I had some quarrel with the author of an article in which I was mentioned earlier this year, I certainly cannot disagree with the high regard in which reporters of *Time* are held by their peers. They have often broken stories ahead of their competitors. The Canadian section of the magazine has provided good sources of Canadian news.

I would also stress, as did the hon. member for Vaudreuil, that *Readers' Digest* has consistently provided a high degree of Canadian content. Even more important though is that *Readers' Digest* has presented a vehicle for Canadian writers to get their work read abroad. I am very interested in having Canadian works read in Canada by Canadians. But I think that Canadian artists are first rate and that Canadian writers are first rate. Their work should be seen or read abroad, and we should find mechanisms to encourage the distribution of Canadian work abroad.

There is a great distinction in my mind between the parts of the bill which deal with television and those parts which involve publications. The part of the bill concerned with television is a measure to protect the outflow of Canadian advertising dollars into the United States where those dollars provide few jobs for Canadians and little, if any, Canadian content. The second part of the measure, that dealing with periodicals, is very different. It will cost hundreds of Canadians their jobs. It will eliminate Canadian content currently made available by the two publications affected, and it will remove substantial secondary and tertiary benefits to Canadian suppliers. This is particularly the case in Montreal where many small Canadian businessmen do work for *Readers' Digest*. It will soon become apparent that many small businessmen will be adversely affected by this part of the bill.

There is no significant and positive step taken under the legislation to provide incentives for Canadian publishers. What it will do is merely redistribute the same number of advertising dollars, and the suggestion is that the number of advertising dollars going to periodicals may in fact diminish.

I am sure that I am just as interested as the Secretary of State in seeing a Canadian news weekly established in this country. We should make no mistake about the reason

for the absence of such a Canadian publication at the present time. It is not because of U.S. controlled competitor has co-opted the market in Canada by publishing a Canadian news weekly. The minister stressed the fact that *Time* magazine is not a Canadian news weekly, and I agree with that. The content is largely American or international, and the percentage of Canadian content is in fact low.

● (2110)

Of course the people who read *Time* are not paying their 75 cents primarily for the six or seven pages of Canadian news. They are buying it because it provides a perspective on world and American affairs which they cannot get elsewhere.

An hon. Member: They still will.

Mr. Beatty: The hon. member says that they still will be able to buy it, but he misses the distinction I am trying to make. I suggest that if after the Canadian versions of *Time* and *Reader's Digest* are killed, as the minister and my friends to my left would like, there is going to be a market for a Canadian news weekly and Canadians will want to buy it then, but that need is not being met at the present time.

My friend suggests that they will be able to buy the American edition of *Time* even after the Canadian edition is put out of business. Indeed he is correct. This is why people are buying it at the present time. They are buying it largely for United States news. The hon. member is not addressing himself to the fact that the existence of an American news magazine concentrating on American and international content has not co-opted the field if there is a market for a Canadian magazine concentrating on Canadian affairs. Both the Secretary of State and the hon. member for Sault Ste. Marie have made the point that it is the American content we are buying and not the Canadian content. If there is to be that market after this bill passes, there is that market today.

I am not satisfied with the blandishments of the minister who suggests that it is only by driving out *Time* and *Reader's Digest* that we are going to get the seed money necessary to establish a new Canadian news weekly and allow it to get going. I simply do not see any evidence for that.

Let us look at who is going to be filling the vacuum if my friends drive *Time* and *Reader's Digest* out of business. The vacuum will be very ably and very quickly filled by Maclean-Hunter, a large, wealthy and powerful Canadian publishing giant. I am intrigued to see my hon. friends to my left, who often go on at great lengths to decry large business, supporting a measure which is going to result in the lion's share of the revenue which is currently going to *Time* and *Reader's Digest* going into the hands of the corporate giant in Canada in the publishing industry. Let us make no mistake about that.

My friends have talked about the need for a Canadian publishing industry. None of us quarrel with that. Indeed the most dynamic Canadian publishers are not the fat cat corporate giant publishers who are publishing their widely read Canadian publications at the present time. The most innovative ones are the small ones who are publishing on a very marginal footing at present.

The advertising revenue which is going to be taken away from *Time* and *Reader's Digest* is not going to go to the publishers operating out of church basements; it is going to find its way largely into the hands of the Maclean-Hunter group. I think that instead of talking about punitive action directed against *Time* and *Reader's Digest* we should be talking about positive action designed to create an environment in which the Canadian publishers can flourish. That does not mean handouts by the government, it means creating an environment in which they can survive on their own.

I mentioned earlier that the reason why there is not a Canadian news weekly concentrating on Canadian affairs at the present time is not that *Time* magazine has co-opted the field. If anybody in Canada has the resources and the entrepreneurial skills to fill the void and to satisfy those market needs the Secretary of State is talking about for a Canadian news weekly, that is Maclean-Hunter. It has the money and the entrepreneurial skills to do it at the present time.

While I do not deny that Canadian nationalism is an attractive concept in the Maclean-Hunter corporate board rooms, I also do not take lightly the dedication of that corporation to profit, and that is something that was glossed over by my friends to the left. It is clear they are the ones, and not the struggling Canadian publisher, who will be reaping the most substantial benefits from the government's action.

I personally, as a Conservative and a free enterpriser, would be the last to denounce the ability of the Canadian businessman to make profits. But I do ask that we do not delude ourselves as to who the government beneficiaries in fact will be. They will not be the small businessman, they will be the large corporations.

Another area in which I have strong concern is in the area of interpretation of "Canadian publication" and what would constitute a Canadian publication. The Minister of National Revenue would assign in effect a Canadian content quota on our magazines if they are to receive the critical designation of a Canadian publication. This provision, despite the government's anxious denials, smacks very much of censorship, and it could readily be applied to newspapers which rely substantially upon international wire services for foreign news coverage, or television programs that are taken from foreign networks for events that take place outside our country.

Having sat in parliament for some time and having watched the government perform, it certainly would not be inconceivable to me to see the extension and the invocation of this principle or doctrine against newspapers and television networks in this country that are printing or showing reports about domestic activities or domestic events which the government dislikes. Certainly the case in the United States was that the administration there used its power to intimidate the news media, and used it in a very heavy-handed way.

I believe, as a Conservative who believes in limited government, that where the potential for abuse exists we have a threat to our freedom in a democracy. However much this government protests that it does not intend to abuse its powers, I believe Canadians should regard the government's actions with considerable attention, as

indeed they should regard any attempt by its successors to take more power that will affect the freedom of information in a democratic society.

There is no doubt that in this majority parliament, and particularly in respect of this measure on which the government is assured of the support of their ideological cousins to my left, this legislation will in fact be passed. Before long in Canada the Canadian editions of *Time* and *Reader's Digest* will disappear, and Canadians will be able to get articles about how Adrienne Clarkson discovered Toronto, and about the Prime Minister's 10 favourite recipes for maple syrup, on a bi-weekly basis instead of on a monthly basis as is the case at the present time.

The government, once it has taken the punitive and symbolic measure it proposes at the present time, will then resume its policy of dynamic paralysis in which the minister allows Canadian culture to struggle alone against governmental indifference, and protest like crazy that somebody else is to blame.

This minister who is so anxious to push this through would have more credibility if he could convince me that the people he is supposed to be serving, the Canadian artistic community, in fact have his backing. Such is not the case. Indeed rumours abound that if the minister fails to get *Reader's Digest* put out of business, Canadian writers will have a market for a new article to be published in the Canadian edition of *Reader's Digest* on the Secretary of State, entitled "My most forgettable character".

If it wanted to, the government could move tomorrow to pump new life into our publishing industry. It could reform the operations of our costly and inefficient Post Office so Canadian publishers could get their material promptly and cheaply distributed. If it were serious the government could change the write-offs for advertising in Canadian publications to a positive and substantial tax credit which would provide a positive incentive for Canadian businesses to advertise in our publications. If the government were sincere it could improve distribution of periodicals in Canada to assure Canadians access to Canadian publications.

It has not been the federal government but the government of Ontario that has pioneered in pointing out the breakdown of our periodical distribution industry. This government has sat idly by as the periodical industry in Canada and in Ontario was taken over by a United States corporation, and as Canadian periodicals suffered at the hands of those U.S. distributors. The government would not act.

● (2120)

I started my remarks by mentioning our first Prime Minister, Sir John A. Macdonald. I shall now turn to him because his government differed from this drifting and complacent government. The difference between our present Prime Minister (Mr. Trudeau) and our first Prime Minister is striking. In Macdonald's day we did not have to call conferences to decide what it means to be a Canadian. There was no opposition, except from the predecessors of today's Liberal Party, those who periodically cherish continentalist notions in the desire to preserve our Canadian nationhood. Our artists did not have to try to convince our citizens of our potential to build a society that would be unique in the world, and an example to other countries. In Macdonald's day Canadianism was not simply a refuge from the world. Canadians defined themselves not in terms of what we were not, but in terms of our goals and dreams for this country.

Today Macdonald's vision has been lost and we are governed by an administration that is characterized by drift and default. In its resources, its geography, its idealism, and industry in respect of its people, this country can be the envy of the world. But if we are to realize our potential it will take new leadership on the treasury benches. The need for new direction in government has never been greater than now.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in this debate on Bill C-58 it is my intention to deal with the publications issue and not with the implications with respect to the television industry. My colleagues who have more knowledge in the broadcasting fields will, I am sure, be better able to comment on that aspect.

In my remarks I should like to examine first of all the basic problem the government has sought to solve, and then I should like to deal in some detail with the adverse affects of this proposed legislation. By way of background it should be said that *Reader's Digest* has had a Canadian edition and a Canadian company for some 32 years, and *Time Magazine*, perhaps sensing government action, established its *Time Canada* in Montreal to produce Canadian editions in 1962. These companies have both been good corporate citizens, and we have been bad hosts. The losers, if the government goes ahead, will be the Canadian people generally. *Time* and *Reader's Digest* can pull back and go to freer political climes. Someone might ask how that could be.

In his statement on January 23, 1975, the minister, in referring to the 1965 law said that the intent of section 19, in the first place, was to support the Canadian magazine industry, then as now, weakened by the virtual domination of the market by American publications. Did Canadians want the government to support the Canadian magazine industry? We do not know. We do not have the information on which to base that conclusion. If the government thought so, why did it not just take some funds from the general revenue and give them to the industry if it wanted to support the industry? Heaven knows the government has given away money pretty freely, probably in many instances where the recipients may be less worthy.

The minister in that statement continued to say that instead of legislating against the entry of American material, which would have been an interference with the free flow of information and ideas, the framers of section 19 legislated an advantage, or incentive, for actual and potential Canadian magazines. Well, what was the result of the incentive for actual and potential Canadian magazines? Ten years afterward, in 1975, *Newsweek*, *United States News and World Report*, and hundreds of other foreign periodicals are selling well in Canada while, curiously, many Canadian publications have had severe financial problems and some have ceased publishing. Perhaps it is time to do something for the Canadian publishing business. What does the government say it will do?

It might be interesting for a moment to look at the words of the minister who, in November, said that section 19 will have an advantage or incentive for Canadian magazines. I have paraphrased that slightly, but the intent is there. How often have we heard recently about the special privileges granted *Time* and *Reader's Digest*? Even the Canadian Periodical Publishers' Association does not seem to have their story straight. I should like to read a short paragraph from their recent letter dated April 21 this year, in which they say:

We firmly believe that with *Time 'Canada'* and *Reader's Digest* competing with Canadian magazines on an equal basis, there will be exciting new work for more writers, designers, photographers, printers, typographers and others in the graphic arts across Canada.

But they have been on an equal basis. The government seeks to alter that by this legislation. The intent was to give special privileges to Canadian magazines, and *Time* and *Reader's Digest* for reasons we will examine later were deemed to be Canadian magazines. So, what these two were getting was not treatment that differed from that given to Canadian magazines, but rather was identical treatment.

Probably realizing the contribution of some publications to the well-being of Canada—and do not forget that section 19(2) uses the expression "being edited and printed and published in Canada"—the government decided in 1965 to treat certain non-Canadian publications as if they were Canadian. One can see the government's dilemma. It had pressure on the one hand from its friends in the publishing field in Canada, and pressure on the other hand from its friends in the foreign publishing field.

Let us step back for a moment and take a look at the real effect of Bill C-58. It really will have little effect on Canadian readers. *Time* and *Reader's Digest* will still be available to mail subscribers and at newsstands. What it really will do is discriminate against Canadian advertisers. How will it discriminate against Canadian advertisers, one may ask? It will tell the Canadian advertiser that the cost of his advertising in the periodical of his choice will double if the magazine is a non-qualified one. It should be obvious that the Canadian advertiser is unlikely to buy space, for example, in *Playboy* because the distribution in Canada as a market area is such a small fraction of the total distribution.

That same Canadian advertiser, however, might not want to buy space in a Canadian magazine, even at a much lower cost, because the cost index per reader is too high. But the Canadian advertiser who wants to advertise in a magazine edited, published, and printed in Canada, such as *Time Canada* and *Reader's Digest*, is told by the government that the penalty for so doing is the denial of deductibility of this expense. This is discrimination, or censorship by taxation. That is not news to us on this side. Who can not remember the retaliatory action taken by the government against resource producers in the western provinces?

What may not be fully realized by some hon. members is that the advertising that would be placed, for example, in *Playboy* would be deductible by the advertiser because it would not be, to quote the act, "directed primarily to a market in Canada". So, too, advertisements in *Time U.S.*, *Newsweek* and other foreign publications would be allowed as a deduction in arriving at net income under the Canadian Income Tax Act because it could be directed to a market that was primarily Canadian.

Similarly, Canadian advertisers in say Vancouver or Montreal can deduct the cost of advertising in daily papers in Washington State or New York State. Many businessmen in real estate and other fields use this method of selling their goods or services.

Another aspect of such discrimination will come from the situation where a foreign brand name producer will be able to advertise and deduct the cost in a periodical in Canada. Although not directly involved, the Canadian dealer selling that product will have in effect deducted his share of the cost of this advertisement because it will be hidden in the cost of his product. To put it in simpler terms, a Chevrolet dealer—if we want to take that example—will benefit from advertisements by the U.S. parent company, and the cost of those advertisements will be written off by that Canadian dealer because it is hidden in the cost of his automobiles. Compare this with the Canadian producer of some product who wants to advertise in the same magazine and is refused the right to deduct the cost. Will the "Big Brother" Liberal government help him out when his sales lag or when his expenses are too high? Is this a way for our government to encourage Canadian industry?

● (2130)

I do not want to enter the emotional debate on the value of either *Time* or *Reader's Digest*. In fact, I seldom read either of them. May I say, however, that I have received hundreds of letters from readers in my constituency who will be very disappointed and angry if these magazines are forced to leave Canada.

In an article released in March the minister said:

Our intention is not to throw these magazines out of the country.

He glibly continued:

They can conform to the law by meeting the conditions set out in section 19 and become Canadian magazines. Or, like hundreds of other popular foreign magazines which get no special favours from the Government of Canada, they can compete for your attention and advertisers' money. Whichever alternative *Time* and *Reader's Digest* accept, Canadians will not be "deprived of the right" to read editions of these magazines.

First of all, commenting on the minister's remarks, if *Time* and *Reader's Digest* were to conform to the law by meeting the conditions in section 19, they would cease to be controlled by the present producers, and there is every likelihood that through change they would indeed cease to exist.

Picture, if you can, the Canadian issue of *Time* or *Reader's Digest* competing with the U.S. issues. After being stripped of the benefits of the parent organization, the resulting losses would probably call for more government interference to ban, perhaps altogether, foreign publications in Canada.

The minister went on in his remarks in that article to mention the hundreds of other popular foreign magazines which get no special favours from the Government of Canada. It should be pointed out that the advertisers therein are also not penalized by the Canadian government. These foreign magazines are purchased for enjoyment and probably carry little advertising for the Canadi-

an market, but if they did carry some the cost would be deductible by the advertiser because it is not directed primarily to a market in Canada.

The minister says that Canadians will not be deprived of the right to read editions of these magazines. Certainly I would agree that *Time* and *Reader's Digest* will continue to be available on our newsstands and will continue to be mailed to Canadian subscribers, and that Canadians will still read them. But Canadians will be deprived of the Canadian section of *Time* magazine and they will be deprived of the articles in the *Reader's Digest* which now appear only in the Canadian edition.

Will Canadians suffer any other losses through this government action? Well, the French edition of *Reader's Digest* will certainly disappear. I am not sure how the government, which supports so strongly the bilingual program, feels about eliminating the French edition for French speaking Canadians. The advertising that Canadians read in these magazines will be strictly American. Who knows what sales will be lost by Canadian businesses which will have lost this great audience for their advertisements?

What will happen to Canadians presently employed in Vancouver at Evergreen Press, and in Montreal, who edit and print the Canadian editions of these magazines? I am sure that the electors in Vancouver Centre and in Westmount wonder what they were doing when they voted to send two cabinet ministers down here—not just two backbenchers—who would agree to close down these businesses in their very own ridings.

What about the editorial and support staff? Will they be thrown to the wolves as well? And what of the rights of the 550 Canadians who presently own 32 per cent of the Canadian operation of *Reader's Digest*? They are in a minority position, and the value of their considerable investment has been jeopardized by the actions of the government.

I have not followed the value of *Reader's Digest* shares on the Toronto Stock Exchange recently, but earlier in the year the stock had fallen from a high of $10.25 to $7, a loss of 30 per cent of the value for those Canadians who invested their hard earned cash in a venture in which they believed.

This Canadian company provides employment for 500 Canadians, and twice that number have supporting jobs outside the company. The Canadian company has a capital of some $8 million, and we have a government that says it wants Canadians to invest in Canada!

One other little heard comment in this argument is the effect that this legislation will have on the Post Office. I am sure the Postmaster General (Mr. Mackasey) has thought of it, but even the Secretary of State agrees that subscribers will still be able to read their *Time* and *Reader's Digest*, even if it happens to be the U.S. edition. What is not often mentioned is that the Canadian Post Office will deliver these magazines free of charge even if they are not mailed in Canada.

At present some $3 million is gained by the Canadian Post Office for carrying these magazines from Montreal and Vancouver to subscribers' homes. If they are mailed in the U.S., the Canadian Post Office will still be called upon to deliver them, but under international post office agreements will get not one cent for its trouble. Perhaps the Postmaster General should whisper this tale of woe in the ear of the Secretary of State.

I have not dwelt at all on the content requirements which the government wants to impose. The main reason is that it is still quite unclear just what requirements the government has in mind. The Minister of National Revenue has made some reference to the percentage of Canadian content, but nothing has been said about what constitutes Canadian content. Would it be written by a Canadian in a foreign country, or would it be written about a Canadian by a foreigner, or would it be all right if it was written in Canada but by a foreigner about a foreigner?

The Secretary of State says this is not censorship, but he goes on to state what the content must not be. He says his government is not telling Canadians what to read, but it is telling magazines what they can print. I am sure readers in Canada will see this as censorship and as another step in the government's attempt to control the people of Canada.

My colleagues have explained our party's position, which has long been known by Canadians. The PC party favours Canadian ownership of business in Canada. We have long advocated incentives for individuals who are willing to invest in Canada. We are prepared to accept the facts of majority Canadian ownership, but we object most strenuously and cannot agree to government control in publishing content, and we know of no branch of the publishing industry in Canada that would be willing or able to accept this kind of censorship.

● (2140)

Mr. Lalonde: Mr. Speaker, I would like to speak on behalf of the Minister of Justice (Mr. Lang). There have been consultations between the various parties in connection with third reading of Bill C-19, and I understand that there has been agreement that we proceed now to third reading of Bill C-19 before hearing another speaker on the present bill. My colleagues may want to say a word on this.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I thought for a moment the minister was rising to participate in the debate and I would look forward to hearing his contribution, but there have in fact been consultations, in the usual disarming way in which these are conducted, and we have agreed that there might be third reading tonight. I understand that agreement is satisfactory to the New Democratic Party as well, although there is no one here from that party.

Mr. Symes: Walter, please!

Mr. Baker (Grenville-Carleton): I do apologise. There is a member of the New Democratic Party here.

The Acting Speaker (Mr. McCleave): It would have been my intention to recognize the hon. member for Maisonneuve-Rosemont (Mr. Joyal) next in the debate on Bill C-58. If there is unanimous consent that that debate be

adjourned, at least temporarily, the motion for third reading of Bill C-19 may be put. Is it agreed?

Some hon. Members: Agreed.

* * *

TWO-PRICE WHEAT ACT

MEASURE TO PROVIDE FOR PAYMENTS FOR WHEAT PRODUCED AND SOLD IN CANADA FOR HUMAN CONSUMPTION

Hon. Marc Lalonde (for the Minister of Justice) moved that Bill C-19, to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada, be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

* * *

[*Translation*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Faulkner (on behalf of Mr. Turner) that Bill C-58, An Act to amend the Income Tax Act, be read a second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I am really anxious to take part in the debate this evening not solely as a result of the points made by some of my colleagues who spoke on the meaning of Bill C-58, but also to correct some statements reported by newspapers and media on the future activities of the *Readers' Digest* if Bill C-58 is passed in its present form. However, before taking up again each of those arguments, I would like to remind the House that Bill C-58 is not an isolated bill. For the past five years more particularly, the government has undertaken at the international level, to diversify considerably the traditional markets of Canada. We have noted at the international level that our economy is much too dependent on the American market and the Department of Industry, Trade and Commerce has made considerable efforts to send missions and open offices in various countries, more especially in Latin America and the Middle East.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) stated this week during the consideration of his estimates that our trade with countries such as Venezuela had more than doubled during the past year. We have registered a large increase as far as Iran and Saudi Arabia are concerned.

On the national level, the government has set as its highest priority the passage in two steps of a legislation meant to enable the Canadian people to make a fair and complete contribution to the definition of our economic destiny. The policy presently implemented by the Foreign Investment Review Agency which has operated for the past year has shown that the need was becoming more and

more urgent and that without an immediate intervention, we would very shortly be running the risk of merely becoming an extension of the neighbouring market. The second stage of this legislation aiming to control new foreign investments has been long overdue. This morning, newspapers reported that the Quebec government has revealed the guidelines of its control policy on foreign investment. It is not without reason that one of the major sectors that will be subjected to the provincial agency will be the social and cultural sector, and for obvious reasons in the case of the province of Quebec.

In the cultural field, and particularly in the field of publishing, the federal government has taken many steps over the last three years. I listened this afternoon to the opposition spokesman who read a list of suggestions that he qualified as positive ones in order to improve the publishing industry in Canada. I should like to remind him that several of his suggestions have already been implemented by the federal government. On the one hand, the federal government directed its efforts to the consideration of amendments to the Foreign Investment Review Act in such a way as to include publishing firms, and also to allow the Review Agency to consider and refuse, as the case may be, the expansion in Canada of foreign-controlled publishing firms. Bill C-58, therefore, is not an isolated measure. On the other hand, the Canadian publishing industry support program has been substantially increased in the last year. More than $1,500,000 have been earmarked for this program and during the year 1972-73, more than 400 books have been published and put on the Canadian market.

The hon. member of the opposition also pointed out the need to put publications on the Canadian market in federal buildings. Rules were passed under which adequate quantities of Canadian publications, books and magazines, should be made available to the public in bookshops located in federal buildings.

Finally, direct financial assistance was given owners of bookshops to enable them to open shops not only in the capitals and large centres but also in smaller towns which do not now have access to that kind of service.

Mr. Speaker, I listened closely to my colleagues who brandished the spectre of censorship when Canadian content in the field of publication was discussed. I always find an element of demagoguery in that argument, especially considering the regulations passed by the CRTC in the last few years which are intended to encourage broadcaster now operating in Canada to ensure a Canadian content of at least 60 per cent.

● (2150)

I cannot recall that since those regulations are enforced there have been fears of censorship or protests on the part of the Canadian public about their timeliness. In fact, from the comments I have heard, I note that the public has wondered precisely why the government did not take those steps sooner. Which does not mean, Mr. Speaker, that Canadian television, whether private or public, exercises a censorship or even an embargo against foreign artists or producers or foreign films, which is detrimental to the freedom of which our country has always been a champion.

Mr. Speaker, I feel that a country like Canada, whose economy rests on a relatively limited foundation, whose population is scattered over a territory as vast as that of our neighbours to the south, must take positive steps to ensure not only that it keeps its national identity, but especially that it develop in an atmosphere of freedom.

Mr. Speaker, Bill C-58 is part of this general context, and I felt I should recall its outline because I am convinced it is not an isolated gesture but rather one of many elements of the total concept of a cultural policy which it is intended to be as dynamic in the publishing sector as in the film industry and the performing arts. I do not have to recall that the Income Tax Act was amended in order to enable investors who are mainly interested in the movie industry to have appropriate abatements, in order to facilitate and to induce Canadian investments into this industry which must be developed. When we think that a country like Canada is neighbour to an international monopoly at the level of movie production, we cannot help but hope that such legislation will be passed.

When we try to apply the same objectives to the publishing industry, we realize, Mr. Speaker, that one of the first things to do is precisely to define a context in which Canadian publications will be preferred by Canadians.

With Bill C-58, the government does not seek to eliminate *Time* or the *Reader's Digest* or the *Sélection du Reader's Digest*. The government has no right to decide on the relevance of one of these magazines when they comply with the laws of public order and security, Mr. Speaker. The responsibility of the government lays more in ensuring that Canadian publications receive adequate treatment and that, if privileges are to be given, they are given first to Canadian publications.

In the course of the discussions, the spectre of the disappearance of the *Reader's Digest* has also been raised. Mr. Speaker, this argument does not take into account the economic basis of this firm. As a matter of fact, since 1958, this firm has been engaged in the sale of all kinds of products, because it had a very expanded list of customers, perhaps one of the longest in Canada. It engaged in the sale of records, books, publications, reference material which represent more than 58.6 percent of its aggregate turnover for 1974.

Of the $30 million turnover of *Reader's Digest* in 1974, more than $18 million came from the sale of articles which have nothing to do with the publishing of the *Reader's Digest*, the *Sélection du Reader's Digest*. That means that from 1958 to 1968, the corporation significantly diversified its economic basis in such a way that the portion of the revenue it draws from the sale of the magazine represents only $6 million, that is 20.5 per cent of the gross revenue of the corporation.

It is therefore erroneous to say or to maintain that this corporation would inevitably go bankrupt if it had to stop publishing the magazine tomorrow. In my opinion, Mr. Speaker, the company made a wise decision in 1958 when it diversified its economic basis, as most dynamic entreprises in Canada do, to protect themselves against market instability. I do not think, Mr. Speaker, that even if *Reader's Digest* stopped being published, the company would be driven out of business on the Canadian market. Indeed, if it stopped publishing these two magazines completely, it would only lose 13 per cent of its total gross revenues.

I think, Mr. Speaker, that to tell employees and lead them to fear that they would lose their jobs if the magazine was no longer published is to use for demagogic purposes a staff that has always served this entreprise well. And I think that since the federal government is also committed to assist printers, we must keep in mind that the Department of Supply and Services gives contracts to small printing companies for amounts five times higher than those the *Reader's Digest* receives for the publishing of its two magazines.

The Canadian government is aware that it must help small publishing and printing companies, and I think, Mr. Speaker, that if the government must review its policy, it is precisely in order to decentralize the granting of government contracts, much more than to force small publishers out of business in remote areas, be they in Eastern or in Western Canada.

Through Bill C-58, Mr. Speaker, the government is in fact seeking three things which are quite legitimate. First of all, the government wants a Canadian control over the content of these two periodicals. How can we allow a firm to benefit from tax privileges when it holds a permit under which it can veto the content of articles to be published for the Canadian market? What we are asking this firm is to change its charter so that the control over the content of its publications be brought back to Canada. I do not feel it is too much to ask a multinational in 1975 to surrender this control to the country where it is operating at a profit and has tax privileges.

The second condition the government imposes on *Reader's Digest* and *Time Magazine* is that of the Canadian content. Mr. Speaker, I must say that as a Francophone, I was extremely sorry to hear that the translation into French of *Reader's Digest* is being done in France and not in the province of Quebec. I feel that for the past five years, this government has made great efforts, with the support of the House to promote the development of bilingualism in Canada. The government has even set up a program to transfer to the provinces large amounts of money in order to ensure that services are provided in both official languages.

To leave to France the translation into French of the *Reader's Digest*, that is a kind of colonialism which the Canadian government has rejected several years ago. Mr. Speaker, I hope, if the *Sélection du Reader's Digest* is to continue to be published in Canada, there will be enough qualified French speaking Quebequers to ensure the French translation of the articles.

I think it would be quite easy to define, on the basis of the CRTC experience, a content that would take into account the Canadian identity, at the level of either the author or the subject matter or through the way a foreign author could be associated with the magazine. I think, Mr. Speaker, that we have set with CRTC a precedent which still leaves room for a Canadian content in that magazine.

Mr. Speaker, when we talk about foreign ownership, and I will end with that point, I think the Foreign Investment Agency has shown with more necessity that to ask today a corporation to offer Canadians the ownership of its capital

is a perfectly legitimate request within the government policy. Therefore, Mr. Speaker, I hope I will have the privilege, during the committee stage, to put these arguments forward again, so that the real elements of the problem and not only the ghost of veto or loss of jobs will be out in the open.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HISTORIC SITES—ENTRANCE FEE TO LOWER FORT GARRY—REQUEST FOR RECONSIDERATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, during question period this afternoon I asked the Minister of Indian Affairs and Northern Development (Mr. Buchanan) to take another look at the question of charging an admission fee to get into Lower Fort Garry which is located on the Red River, about 18 miles or so north of the city of Winnipeg. This afternoon, in asking my question for the seventh or eighth time, I asked the minister to look at this matter with a sense of history.

● (2200)

The fact is, Sir, that for many years Lower Fort Garry was privately owned and operated. It was the preserve of an elite club and the only way you could get into the fort was by belonging to the club or by being a friend of a member of that club. Some of us thought this was unfortunate, for the result was that an historic site in Manitoba was effectively closed to the general public. The day came when the federal government took it over and made it available for the public, which was to be admitted free of charge. We in Manitoba, thought this was a good idea. That regime lasted for quite a few years.

Recently the Department of Indian Affairs and Northern Development imposed an admission or entrance fee to Lower Fort Garry. In response to the appeals that some of us made, the minister made an adjustment, but it did not amount to much. The fee is still $2 for an adult, and 50 cents for a child. At the beginning there was a family fee of $5, but that has been reduced to $4. That is not much; actually in Manitoba it is felt to be a bit of an insult. Another adjustment was the provision for an annual family pass for $10, which really is meaningless.

I make the point that Lower Fort Garry is not a picnic ground, is not a national park like Banff, is not like Lake Louise or Cape Breton Highlands; you do not travel around in it and camp, and so on. It is an historic site, something one goes to see, not because of the beauty of the place, although it is an attractive spot, but because of an interest in history. One goes in there to see the relics of a bygone century and to feel some of the history of Manitoba, some of the history of western Canada. We, in Manitoba, think it is most unfortunate and most unwise for the government to dampen interest in that historic site by imposing this fee.

All of us who come from the province of Manitoba know that the opposition to this fee is widespread. Organizations right across the spectrum—religious, political, economic and others—feel that this is an unfair practice on the part of the federal government. I hope that even yet the department will go back to the practice of a number of years and charge no fee at all; or, if there must be a fee, let it be a very minimal one indeed. The idea of a family pass for $10 a year or special fee for tour groups, students, and so on, really does not meet the situation. I earnestly hope that the appeal we are making will be considered.

I was interested this afternoon to note a sheer coincidence, because that is what it was. Immediately after my question to the Minister of Indian Affairs and Northern Development came the question of the hon. member for Marquette (Mr. Stewart), which he directed to the Minister of Consumer and Corporate Affairs (Mr. Ouellet), in which he asked if it was not time to prosecute the Department of Indian Affairs and Northern Development for such an exorbitant increase in its fees. He, of course, was referring to Riding Mountain national park where the increase was 500 per cent or 1,000 per cent. Of course I am referring to a case where the increase is infinity, from zero to the figures to which I just referred.

Mr. Baker (Grenville-Carleton): Just like the Rideau Canal.

Mr. Knowles (Winnipeg North Centre): No doubt there will be complaints about that; I hope there will be. But I make the point that the Rideau Canal is something on which one travels. One uses a boat to go on the canal. That is not the case with Lower Fort Garry. There is attached to it a kind of park with a golf course and so on. But it is not a campground, a place where you stay overnight. Nor is it a place you drive around. You go there to see the fort, the walls, gun holes, the boats and the ancient equipment in the museum.

If you start charging people to go to a place like that, what will be next? Are we going to charge people to get into any kind of library, art gallery or museum? Maybe we should start charging people to come into the galleries of this House of Commons. We might retire the national debt. Of course we might go broke.

Mr. Cullen: There are some relics in here.

Mr. Knowles (Winnipeg North Centre): The hon. member says there are some relics in here. In that connection, I trust the member opposite noticed the news report the other day about the longevity of members of parliament.

We do not charge people to get into the Peace Tower or the rotunda of this building. We want people to come here. We want them to have a sense of history. We want them to visit Lower Fort Garry. It is a foolish policy to try to pay for the operation of it by these fees. I waved goodbye to the Minister of Indian Affairs when he left at ten o'clock, for his answers have not been satisfactory. I hope his parliamentary secretary will do a lot better.

Adjournment Debate

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, all I can say to the hon. member is that the people of western Canada have paid for the use of parks for 40 years. Some of the people in eastern Canada are now beginning to discover the virtue of paying for parks.

Parks Canada has recently undergone a period of expansion which included increasing the number of national parks and national historic parks and sites, as well as taking over operation of historic canals in Ontario, Quebec and Nova Scotia which are part of the newly created ARC branch, Agreements for Recreation and Conservation.

Although the hon. member for Winnipeg North Centre (Mr. Knowles) has raised the issue of entrance fees at Lower Fort Garry, I would like to note there has been a growing demand for parks facilities. I would like to lead into some of the background of the decisions about which he speaks.

Last year there were more than 21 million visitors to parks across Canada, almost double that of ten years earlier. Parks Canada has been striving to meet this demand with increased facilities. However, in many instances this expansion has been at the expense of the older, established parks in the system which have not had the general servicing they once enjoyed due to the pressing priority of funding to the newer park areas.

To meet this growing challenge, and subject to parliamentary approval, Parks Canada will undertake a $376 million development program during the next five years.

Mr. Knowles (Winnipeg North Centre): At Lower Fort Garry?

Mrs. Campagnolo: I am getting to Lower Fort Garry. Operating and maintenance expenditures during this period are expected to be $500 million. During the previous five years, Parks Canada spent $157 million on capital and $226 million on operations and maintenance. With the vast improvement anticipated by the consequent upgrading of park facilities with this increase in funding, Parks Canada is naturally required to produce greater revenues. In the instance brought forward tonight, the capital and operating maintenance expenditures over the next five years at Lower Fort Garry are estimated at $6.5 million.

These revenues from the newly imposed fees at Lower Fort Garry are forecast at $0.9 million for that same five year period. Our revenues will therefore represent approximately 14 per cent of our total cost. The majority of Canadians, through their taxes, will therefore bear the majority of the cost, while a small percentage will be borne by the actual users.

The hon. member has stated certain charges that I would like to re-assess. Originally it was our intention to charge $2 for adults and $1 for children for the cost of admission. After extensive review, the following schedule of rates was agreed upon: For every person over 16 years of age, $2; for every person under 16 years of age, 50 cents; for a family group entering together regardless of the number of persons over or under 16 years of age, a maximum of $4—

[Mr. Knowles (Winnipeg North Centre).]

The Acting Speaker (Mr. McCleave): Order, please. I regret to interrupt the hon. member but the time allotted to her has, alas, expired.

● (2210)

PUBLIC SERVICE—SUGGESTED INCREASE IN REGIONAL PAY RATES IN DISADVANTAGED PROVINCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to pursue my question of April 28 concerning regional rates of pay in Canada for federal employees, a subject which is causing understandable concern and unrest among citizens who are affected.

I have tried to be reasonable in presenting the case but it is impossible for me to believe there can be any justification for the present differences in pay rates, nor can I be persuaded that the policy fits in with what are supposed to be our national goals—equality of opportunity, an end to regional disparity, and the maintenance of human decency. It is evidently the policy of the government not only to maintain the discrepancy in regional rates but to expand the present practice.

The whole basis upon which regional pay rates are established is that it costs less to live in certain parts of the country. However, in present conditions this contention is out of date, and this being the case the whole trend should be reversed. Rather than pay rates in Newfoundland, for example, being lowest and those in Vancouver being the highest, the reverse should be true at a time when the cost of living in Newfoundland is the highest in Canada. So the present policy is unfair, as well as lacking in sense. Not only is it contradictory to the objective of the Department of Regional Economic Expansion, which is to overcome regional disparity; it is preventing the achievement of that goal. As I have indicated, the Treasury Board is operating on the basis of discrimination against federal employees in the Atlantic region.

What the government is really saying is that federal firefighters are not as capable of protecting an aircraft if, God forbid, one burns in Newfoundland as if it burns in Montreal, Toronto, Winnipeg or Vancouver. It is saying that the Canadian passenger is less a Canadian after he leaves Montreal to fly east. What it is really saying is that the federal nurse who serves the veterans in Camp Hill, Halifax, or in the veterans' wing in St. John's, Newfoundland, is treating her patients with less care than that received by patients in other parts of Canada. What it is really saying is that the heavy equipment operator cannot perform his duties as a snow cleaner, for example, in Newfoundland as well as those who work in other parts of the country, or that the safety factor is of less importance.

I should like the minister to explain to me how, to give one example, a company which has contracted to manage the Deer Lake Airport can pay higher salaries to its employees than the Ministry of Transport under regional pay rates. How can I give an answer to the secretary-treasurer of a component of the Public Service Alliance when he expresses the feeling of his membership that Treasury Board is adamant in trying to destroy the national pay structure for federal firefighter as well as other groups? How can I explain to a heavy equipment operator why, after he has worked for ten years, at $3.54 an hour, he is not deserving of equality in pay rates although his son,

working between school terms, can earn as much as he earns by working as a carpenter's helper?

Something has to be wrong, and while I appreciate the difficulties experienced by government it is ridiculous that qualified personnel in the Public Service should be classified as lesser Canadians in certain parts of our country though they perform duties equal to those carried out in other parts of the nation. I hope the minister will recognize the inequity which exists, and correct it in the interest of all that is right for Canada.

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the problem which the hon. member has raised is not an easy one. It is not, of course, a question of justice or injustice. I think we have to look at two sides of the question. The government wants to be equitable in its treatment of its employees, and pay rates comparable with those paid outside the service to those in similar occupations.

The other day I was talking with the provincial Minister of Finance for the New Brunswick government. He was complaining that some of our civil servants are too well paid and that we are raiding his civil service because he cannot pay them that much. You can appreciate the problem.

Let us take the case of a secretary, a plumber or a carpenter, or some such occupation. We want to pay these people the prevailing rate in the area. Because of our potential we could pay higher rates but we would then create a lot of pressure on the local economy. Really good regional rates will take into account the cost of living in the regions.

This is not a question of discriminating. We want to be absolutely neutral on regional rates. We want to pay our employees at the same level as the municipalities, provinces, and private sectors in the area or locality are paying. This is just fair to the various regions. If we pay the national level in a little village or a town, everyone will want the same level, and some of the local governments cannot afford this.

I have received complaints about this. Of course it depends very much on the kind of occupation involved. We are not in competition for local manpower in the various areas. Take the postal workers, for example. We are not competing with another system so we pay them at the national rate. When we are competing with the locality for local manpower we want to be fair to the local economy. This is something we are debating and negotiating with the unions in some areas.

We saw an example of this last year in regard to the firefighters working at Vancouver. Because they have a national rate they were getting $2 less than the firefighters working for the city of Vancouver. I felt it was unfair, and my predecessor was willing to give them the prevailing rate for firefighters in Vancouver. The union said no, they wanted the national rate. So the thing works both ways.

When we are in competition we have to make sure our employees are as well paid as the local people, but not too well paid in relation to them, because soon after that the local people complain that they are being raided by the federal civil service. They complain that we are taking away their best manpower by paying them at higher rates.

The Acting Speaker (Mr. McCleave): I regret to interrupt the hon. minister but his time has expired.

THE CANADIAN ECONOMY—INFLATION—GOVERNMENT POLICY ON RELATIONSHIP BETWEEN CANADIAN AND UNITED STATES DOLLAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on April 18 in reply to a question put by me concerning what steps the government was taking to ensure that the Canadian dollar would not be allowed to drift down and remain at the 96-cents to 98-cents level in terms of the United States dollar, the Prime Minister (Mr. Trudeau) said:

> —it is Canadian policy that the dollar respond to market forces and that any intervention by the governor of the bank would be only to assure that the float does not have any . . . dirt in it.

The Prime Minister was not being candid with the Canadian people in that statement. To suggest it is Canadian policy that the dollar should respond to market forces and any intervention by the government is only to ensure that the float does not have any dirt in it, is totally misleading.

The government guides the market and, as it guides it, the government influences the exchange rate of our dollar with other currencies, in particular that of the United States. While the Prime Minister was misleading parliament with that answer he gave to my question Wood Gundy was reporting.

> We expect the authorities will continue to support the dollar if need be by continuing to run down reserves. The Canadian dollar could easily fall to the 97-cent level, in terms of the U.S. dollar, in the next few months.

We have to take a look at the government's policy and what it is costing the Canadian public. The four point drop in the Canadian dollar in terms of inflation, as a result of higher import costs to Canadians, is going to add approximately 1 per cent to the level of inflation in this country.

● (2220)

The other factor I believe we should realize in this House is that by following a high interest level in this country the government in fact is insisting for example that those who have mortgages, will have to carry the cost of the national deficit on their backs. Translated into terms that are perhaps understandable to all of us in this House, I would point out that the government in requiring present domestic mortgage rates—and let there be no doubt that it is government policy to have a mortgage rate of 10¾ per cent in this country—is subjecting a man who has a $40,000 mortgage to an extra cost of $875 a year compared to the American level of 8 per cent for the same mortgage. If this rate is maintained for a full 25 years of amortization, the cost to a Canadian is $21,861.

The fact is that the Prime Minister knows that through the Bank of Canada he is influencing mortgage rates in this country, and in turn is causing the average home owner to pay a severe penalty for the trade deficit we are now running with the rest of the world.

Speaking about the trade deficit, I think the government must answer—and I would hope it would answer at an early date in this House—for the sad unproductivity we have, so far as our unit costs in the world are concerned. The Citibank in its April 1975, bulletin suggested a comparison of labour costs in the various countries as against the United States.

It is interesting to note that when the Minister of Finance (Mr. Turner) took over in 1970 hourly compensation in Canada was 75 per cent of that in the United States. In 1974 it had gone up to 86 per cent. The output per man hour in 1970 was 88 per cent. In the past year it actually went down to 87 per cent. The staggering thing is that we have lost entirely the unit labour advantage we had in 1970. In 1970 it was 85 per cent of the American while today it is 99 per cent. That is the situation into which the Minister of Finance has got us. The Minister of Finance now suggests there is a new system called recycling. He is running around the world trying to get money to cover the trade deficit which is accruing at an alarming rate.

Let us face the facts. What he is suggesting is that through recycling he will pile debt on debt in this country. If you cycle far enough there is no surer way to put this country in a disastrous situation, and I think the Minister of Finance, instead of being candid with the Prime Minister, and the Prime Minister instead of being candid with us, are not facing the facts. We have lost our competitive position in the world. We are running up, according to Industry, Trade and Commerce figures given us in committee only two nights ago, a decline of 7 per cent in current volume terms in our trade with the rest of the world. A staggering deficit is coming. I suggest it is government policy deliberately to keep domestic interest rates high in this country in order that we can attract foreign funds through this process called recycling. That is, they will try to get back some of the money that is being lost through the trade deficit with other nations at a higher interest cost.

One of the groups in this country that is going to pay dearly for this government policy is made up of the mortgage holders. As I have stated, the total cost on an annual individual basis is almost $800. I believe this warrants a proper answer from the Prime Minister. I think that the government must be more candid with the Canadian public on what exactly is its policy.

The Acting Speaker (Mr. McCleave): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, when one listens to the conclusions reached by the hon. member through his convoluted reasoning, the word that comes readily to mind is claptrap.

The Canadian dollar has fallen somewhat in recent months. But I might point out that its value is still high relative to its level in recent years. Indeed, since observance of the par value of $92.5 U.S. cents was suspended on May 30, 1970, the Canadian dollar has risen by more than 5 per cent.

The advantages and disadvantages of a changing exchange rate cut both ways. While a decline in the value of the Canadian dollar adds to the cost of our imports, it also provides a competitive edge to our exporting industries. The converse is true when the dollar rises, of course. Generally, we cannot label movements in the Canadian dollar as unambiguously beneficial or harmful for our economy.

In any event, as the Prime Minister (Mr. Trudeau) pointed out on April 18, it is the policy of the government to let the value of the Canadian dollar be determined by market forces. Intervention by the government is confined to maintaining orderly market conditions, that is, to preventing erratic movements in the exchange rate. In fact Canada's official international reserves have fallen since May, 1974, when the Canadian dollar reached a peak of more than U.S. $1.04, by more than U.S. $400 million. This drop reflects the stabilizing role intervention has performed and does not run counter to our "clean float" policy.

Movements in the value of the Canadian dollar reflect changes in the many components of the balance of international payments. Whether the dollar goes up or down in any given period of time depends on whether the balance of changes leads to a greater or lesser net demand for Canadian dollars.

In the past year we have seen a substantial deterioration in the balance of current account, that is, in the value of goods and services we sell to non-residents less the amount we buy from them. In 1974 the deterioration amounted to almost $1.5 billion. Preliminary numbers for 1975 suggests some further decline has occurred this year. These developments in the current account reflect the weakness which prevades the economies of our major trading partners. This has kept our exports down. On the other hand, Canadian imports have been sustained in line with the relatively favourable conditions we have experienced here at home.

Whether or not such developments cause a currency to decline depends on the concomitant movements in the capital account, that is, the extent to which net borrowing from non-residents increases sufficiently to finance the current account decline. In 1974 net capital inflows into Canada increased by more than enough to finance our growing current account deficit. Nor do we anticipate any problem financing our net imports in 1975.

Mr. Knowles (Winnipeg North Centre): Claptrap versus claptrap.

The Acting Speaker (Mr. McCleave): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.30 p.m.

APPENDIX "A"

DEVELOPMENT ASSISTANCE

No. 1,373—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in each one of the Latin American countries?

2. What major long term development projects are now being sponsored by Canada in each one of these countries?

No. 1,374—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Somalia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,375—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Ethiopia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,376—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Uganda?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,377—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Malta?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,378—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Tchad?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,379—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Cyprus?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,380—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Bangladesh?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,381—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Pakistan?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,382—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in India?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,383—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Sri Lanka?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,384—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Fiji?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,385—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Hong Kong?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,386—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Korea?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,387—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Maldives?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,388—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in W. Samoa?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,389—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Kenya?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,390—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Liberia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,391—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Malaysia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,392—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Singapore?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,393—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Burma?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,394—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Ghana?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,395—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Gambia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,396—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Philippines?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,397—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Turkey?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,398—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Iran?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,399—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Indochina?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,400—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Thailand?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,401—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Indonesia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,402—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Nigeria and Sierra Leone?

2. What major long term development projects are now being sponsored by Canada in these countries?

No. 1,403—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Tanzania and Mauritius?

2. What major long term development projects are now being sponsored by Canada in these countries?

No. 1,404—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Malawi?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,405—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Zambia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,406—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Namibia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,407—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Rhodesia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,408—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in British Honduras?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,409—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Jamaica?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,410—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Antigua?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,411—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Barbados?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,412—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Dominica?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,413—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Grenada?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,414—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in the Windward Islands?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,415—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Montserrat?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,416—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in St. Kitts?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,417—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in St. Lucia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,418—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in St. Vincent?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,419—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Guyana?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,420—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Trinidad and Tobago?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,421—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Senegal?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,422—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Mali?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,423—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Mauritania?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,424—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Guinea?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,425—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Tunisia?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,426—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Madagascar?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,427—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in the Ivory Coast?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,428—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Niger?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,429—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Haute-Volta?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,430—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Togo?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,431—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Dahomey?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,432—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Algeria?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,433—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Morocco?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,434—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Zaire?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,435—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Rwanda?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,436—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Burundi?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,437—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Congo-Brazzaville?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,438—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Cameroon?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,439—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in the Central African Republic?

2. What major long term development projects are now being sponsored by Canada in this country?

No. 1,440—Mr. Paproski—January 30

1. What financial contributions have been made in the past two years for development assistance in Gabon?

2. What major long term development projects are now being sponsored by Canada in this country?

ANSWERS TO QUESTIONS Nos. 1373 - 1440

1. Financial Contributions ($1,000's)

COUNTRY	1972-73	1973-74
Latin America		
Brazil	3,098.3	1,133.3
Columbia	5,010.3	3,707.8
Peru	168.8	662.0
Haiti	—	154.5
Cuba	—	425.9
El Salvador	16.0	88.3
Honduras	531.1	305.3
Guatemala	129.9	49.0
Nicaragua	13.4	412.8
Costa Rica	1.0	46.3
Ecuador	567.1	1,072.9
Bolivia	4.7	560.9
Chile	2,106.4	2,154.4
Anglophone Africa		
Somalia	—	—
Ethiopia	511.4	1,509.6
Uganda	1,656.8	1,151.2
Malta	—	7.5
Cyprus	—	—
Kenya	2,245.8	6,191.2
Liberia	—	—
Ghana	5,207.5	5,664.7
Gambia	—	—
Nigeria	12,604.0	11,983.2
Sierra Leone	1.0	299.7
Tanzania	6,224.2	17,667.5
Mauritius	79.0	141.8
Malawi	1,085.8	271.0
Zambia	2,098.2	2,349.7
Namibia	16.6	34.8
Rhodesia	81.7	89.5
Francophone Africa		
Tchad	237.9	224.3
Senegal	4,846.0	4,743.2
Mali	203.2	436.7
Mauritania	83.8	289.7
Guinea	14.2	20.9
Tunisia	16,422.1	26,723.2
Madagascar	629.3	433.2
Ivory Coast	6,543.0	4,233.1
Cameroon	4,580.0	3,911.4
Niger	7,841.0	7,244.0

COUNTRY	1972-73	1973-74
Central African Republic	203.4	160.6
Upper Volta	454.5	693.7
Gabon	349.9	522.0
Togo	2,371.7	1,005.7
Dahomey	2,163.7	1,303.1
Algeria	1,963.8	2,060.1
Morocco	2,392.2	2,627.1
Zaire	1,078.1	3,538.5
Rwanda	1,662.4	1,546.7
Burundi	197.6	197.6
Congo-B	105.8	487.3
Asia		
Bangladesh	48,300.0	58,300.0
Pakistan	9,400.0	38,500.0
India	78,257.0	69,267.0
Sri Lanka	7,535.0	5,649.0
Fiji	6.0	33.0
Hong Kong	—	3.0
Korea	23.0	14.0
Maldives	—	—
W. Samoa	36.0	14.0
Malaysia	2,840.0	2,310.0
Singapore	470.0	630.0
Burma	3,100.0	1,700.0
Philippines	10.0	14.0
Turkey	5,512.0	332.0
Iran	—	—
Indochina	4,790.0	5,170.0
Thailand	320.0	420.0
Indonesia	14,470.0	21,640.0
Caribbean		
British Honduras	800.3	405.6
Jamaica	4,745.4	3,243.1
Antigua	502.0	139.1
Barbados	1,743.6	2,929.6
Dominica	616.9	606.7
Grenada	541.7	345.5
Windward Islands	2,421.6	1,902.2
Montserrat	794.0	507.6
St. Kitts	405.3	375.3
St. Lucia	1,353.7	1,388.8
St. Vincent	526.2	167.9
Guyana	1,535.8	2,850.4
Trinidad & Tobago	646.7	902.3

2. Major long term development projects (those which are estimated to cost in excess of $5,000,000.).

Latin America

Brazil:

Construction of a thermal power plant, expansion and improvement of distribution systems. Use of Canadian consultants. Total Cost: $9,320,000.

Colombia:

Construction of a hydroelectric generation plant plus transformers and transmission lines. Total Cost:$16,-740,000.

Dominican Republic:

Extension of power services to 160 rural communities. Total Cost: $10,979,000.

Ecuador:

Heavy equipment from Canada in the initial stages of Eduadorian national electrification program. Total Cost: $8,888,000.

Anglophone Africa

Kenya:

1. Secondary and Minor Roads Gravelling: a six year program of co-operation between Kenya, Sweden and Canada to gravel 12,000 miles of rural roads up to all weather standards. Total Canadian Cost: $13,500,000.

2. Kenya Technical Teachers College: design, construction, equipping, training and provision of technical assistance. Total Cost: $9,320,000.

Ghana:

1. Kumasi Technical Training Institute: design, construction, equipping, training of 46 Ghanaians as teacher trainers, and provision of 18 Canadian teachers for initial 4 years. Total Cost: $6,700,000.

2. Upper Region Water: provision of potable water to three major towns and 1,100 wells for villages in arid regions of Northern Ghana. Total Cost: $8,023,300.

3. Highway Maintenance: design and implementation of roads maintenance plan for Ghana, plus provision of training, equipment and technical assistance. Total Cost: $6,606,000.

4. Accra/Tema Water Supply: provision of engineering services, equipment, materials and supervisory personnel for expansion of water supply for urban and rural areas with combined population in excess of 1 million people. Total Cost: $10,302,700.

5. Development Line of Credit: provision of $2,500,000 in Canadian goods (steel, building materials, earth-moving equipment) and $2,500,000 for priority agriculture projects (cotton, rice, maize and edible oil production).

Nigeria:

1. Diesel Electric Locomotives: provision of 54 diesel locomotives and follow-up maintenance/training to Nigerian railways. Total Cost: $20,000,000.

2. Programme Loan: provision of Canadian goods (road construction equipment, agricultural materials, fertilizer). Total Cost: $12,000,000.

Tanzania:

1. Hale-Moshi Power: design and construction of transmission line. Total Cost: $6,150,000.

2. Dar-es-Salaam Water: design and construction of urban water supply system. Total Cost: $31,000,000.

3. Great Ruaha Power: design and construction 180 miles of transmission line, including substations and transformers. Total Cost: $13,000,000.

4. Topographical Mapping: topographical mapping of 142,00 square miles of west and central Tanzania. Total Cost: $7,450,000.

Zambia:

1. Technical/Vocational Education: provision of up to 40 teaching and advisory personnel per year for up to 9 years, architectural services, equipment, and training in Canada. Total Cost: $7,960,200.

2. Tank Cars and Rolling Stock: provision of 40 tank cars for movement of edible oils and up to 200 cars of rolling stock. Total Cost: $6,000,000.

Malawi:

Malawi Railway Development Project: to rehabilitate 56 miles of existing railway and construct 75 miles of new line to link the railroad's present northern terminus with rich agricultural lands surrounding the capital of Lilongwe. Total Cost: $22,360,000.

Francophone Africa

Senegal:

Design, construction and staffing of a technical school.

Tunisia

1. Purchase of 22 diesel locomotives and maintenance equipment. Total Cost: $9,300,000.

2. Line of Credit for purchase of goods and equipment in Canada. Total Cost: $15,000,000.

3. Construction and design of a power transmission line. Total Cost: $11,475,000.

Ivory Coast:

1. Design and construction of a power transmission line. Total Cost: $6,500,000.

2. Line of credit for purchase of Canadian goods. Total Cost: $6,000,000.

Niger:

Construction of 460 Km. of road between Gouré and N'Guimé. Total Cost: $24,000,000.

Dahomey:

Design, construction and staffing of a technical school. Total Cost: $13,500,000.

Algeria:

1. Design and construction of grain storage silos on 12 sites. Total Cost: $18,000,000.

2. Line of Credit for agricultural equipment. Total Cost: $15,000,000.

Morocco:

1. Establishment of two training centres for professors in mathematics and sciences. Total Cost: $9,265,000.

2. Line of Credit for purchase of Canadian goods. Total Cost: $5,000,000.

Zaire:

Equipment and construction of micro-wave telecommunications network, including consultants and training. Total Cost: $37,030,000.

Rwanda:

Technical assistance, training, and equipment for National University. Total Cost: $23,292,900.

Congo:

1. Survey and construction of railway including technical assistance and training. Total Cost: $10,000,000.

2. Civil Aviation experts, training and provision of equipment. Total Cost: $9,000,000.

Cameroun:

1. Polytechnic school, design, construction, equipment, staffing and training. Total Cost: $10,409,000.

2. Road construction equipment. Total Cost: $5,500,000.

Asia

Bangladesh:

1. Tubewells for a joint World Bank irrigation project — $ 5,000,000.

2. Railway track material — 14,100,000.

3. Commodity grant—Canadian fertilizer and raw materials — 5,000,000

4. Railway locomotives—to replace locomotives destroyed during the war — 5,500,000.

5. Design and construction of an Earth Satellite Station — 8,000,000.

Pakistan:

1. Seismic Equipment. The purchase of central data processing units for Oil and Gas Development Corporation — 5,000,000.

2. Construction of a 210 mile 500 KV transmission line, including provision of substation equipment — 25,000,000.

3. Program assistance commodities, provision of Canadian industrial raw materials such as aluminum — 30,000,000.

4. Line-of-Credit. In support of CIDA projects and of priority sectors. Includes mainly spare parts and equipment — 10,000,000.

5. Expansion of an hydro-electric dam project previously constructed by CIDA. Involves design manufacture and installation of two 40 MW generators 10,000,000.

6. Program assistance, Canadian fertilizer — 9,200,000.

India:

1. Idikki Hydel—Design, construction and monitoring of Idikki Hydro-Electric Project in Kerala State — 21,150,000.

2. Supply of components for diesel locomotives — 6,000,000.

3. Communications cables and microwave equipment to Bombay—Delhi—Calcutta Link — 40,000,000.

4. Line of Credit to the Oil and Natural Gas Commission of India — 15,000,000.

5. Line of Credit to finance general industrial goods. Disbursements took place this year, but the loan has now lapsed — 16,500,000.

6. Commodity/Fertilizer Loan 1972/73/74 — 50,000,000.

7. Commodity/Fertilizer Loan 1973/74/75 — 50,000,000.

8. Two Program Loans for Canadian fertilizer 20,000,000.

9. Design and equipping of a syndthetic rubber plant — 7,500,000.

Sri Lanka:

1. Provision of 14 diesel locomotives and spare parts to Ceylon Government Railway — $ 6,100,000.

Malaysia:

1. Design and construction of electric power installations — 46,500,000.

Philippines:

1. Establishment of an agricultural co-operative system in Cagayan Valley — 6,800,000.

Indonesia:

1. Design and construction of Sulawesi Bridges 8,800,000.
2. Provision of Four Gas Turbines — 12,000,000.
3. Provision of 11 Twin Otters to MNA — 8,800,000.
4. Engineering Design of Jakarta Int'l Airport — 6,650,000.

Caribbean

Belize:

—Belize City Water Supply and Sewerage System. Design, construction of water supply and sewerage scheme. Total Cost: $6,970,000.

Barbados:

—Seawell Airport Project. The project involves the design, construction and equipping of a Passenger Terminal Complex and related works. Total Cost: $10,000,000.

Trinidad & Tobago:

—Piarco Airport Expansion. Engineering, architectural, and project management services and related procurement for the rehabilitation and expansion of Piarco Airport facilities. Total Cost: $10,000,000.

Guyana:

—Guyana Electricity Commission. Supply and delivery to Guyana of Canadian goods for the construction of transmission lines and related distribution facilities. Total Cost: $5,150,000.

Leeward & Windward Islands:

—School Construction. The design, construction, furnishing and equipping of 14 schools in the Leeward and Windward Islands. Estimated Cost: $5,300,000.

HOUSE OF COMMONS

Friday, May 9, 1975

The House met at 11 a.m.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—SUGGESTION OF MASSIVE UNEMPLOYMENT IF PROGRAM FOR CONSENSUS ON RESTRAINT UNSUCCESSFUL—REQUEST FOR EXPLANATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I will put my question to the Prime Minister. Since many of us feel we now have an unacceptable level of unemployment, would the Prime Minister clarify the statement made yesterday by the Minister of Finance that further unemployment would be massive if the consensus program is not resolved, and specifically, if there is such a serious emergency would the Prime Minister explain why the government's current documents on restraint are so half-baked after eight months of incubation?

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

INFLATION—INQUIRY WHETHER SPECIFIC PROPOSALS ON RESTRAINT SUBMITTED TO PROVINCES

Mr. Sinclair Stevens (York-Simcoe): My supplementary question is again for the Prime Minister. The documents tabled yesterday with regard to the monitoring of professional fees, the role of marketing boards and the place of shelter and rent in the consensus program referred to further exploratory talks with the provinces. Has the government, which is supposed to be leading this fight against inflation, presented any specific proposals of its own to the provinces on these matters, and does the Prime Minister have any confidence that concrete proposals on these matters will be arrived at before meetings with business and labour next week?

Right Hon. P. E. Trudeau (Prime Minister): When the hon. member speaks of "these matters" is he referring to specific things or is he talking about inflation in general?

Mr. Stevens: I am referring to the specific references in the document tabled yesterday in which it was stated, with respect to the monitoring of professional fees, to the role of marketing boards, and to the place of shelter and rent in the consensus program, that further discussions have to take place with the provinces. I am asking the Prime Minister: have such discussions taken place and what confidence has the Prime Minister that these points will be resolved before further meetings take place with business and labour next week?

Mr. Trudeau: Mr. Speaker, I believe discussions are taking place with the provinces at the official level today, and if it is not today then I am only out by a day or two, but I believe it is today that these discussions are taking place.

On the second part of the question my answer is, yes, I have confidence because the provinces themselves at the first ministers' conference a few weeks ago indicated that they were very concerned about the problem of inflation and that they wanted to share any initiatives with the federal government. The hon. member will recall that at the interprovincial conference last August or September they were asking the federal government to indicate to them what means might be used to fight inflation.

● (1110)

INFLATION—POSSIBLE INVOLVEMENT OF PRIME MINISTER IN DISCUSSIONS SEEKING CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): In light of the fact that the Minister of Finance has apparently not done his homework and has not been able to put together a meaningful document which could have been expected to elicit a meaningful response—

Mr. Speaker: Order, please. Would the hon. member please put his question.

Mr. Stevens: Is the Prime Minister, who is supposed to be giving the program general direction, now going to get involved directly and oversee the government's planning and himself meet with business, labour and the provinces?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member had been doing his own homework, he would have realized that I have done those three things.

INFLATION—SUGGESTION GOVERNMENT STOP ITS INFLATION-GENERATING POLICIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary is to the Prime Minister, and it is prompted by another increase in the consumer price index of .5 per cent for the month and the apparent failure of the government to obtain a consensus on voluntary restraint. Considering that the Minister of Energy, Mines and Resources supports a hefty oil price increase, higher food prices at the farm gate have been sponsored by the Minister of Agriculture, higher wages by the President of the Treasury Board and the Minister of Finance is ignoring higher import prices, all these things contributing to the inflationary spiral and the inflationary psychology of this country, can the Prime Minister tell the House if he and

his government are prepared to stop these inflation-generating policies so that this government will be imposing upon itself the same kinds of restraints it expects from business and labour?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is obviously an argument, and I do not believe the hon. member himself agrees with its premise.

INFLATION—REASON FOR EXPECTING LABOUR TO EXERCISE RESTRAINT WHEN NO GUIDELINES CONTROLLING PRICES AND PROFITS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is for the Prime Minister. In light of the statistics provided by the Minister of Finance in his economic review which indicate that over the last year profits per unit of output have been rising faster than labour costs per unit of output, can the Prime Minister indicate why in the minister's recent working documents he did not outline in more detail his proposals for controlling prices and profits as a factor in the economy, and can he indicate also in which way he expects labour to exercise restraint when there does not seem to be any formula for restraint in the area of prices and profits?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the contrary, there is a formula for restraint, and the formula has been spelled out in the documents. It is in the nature of not increasing the margin between costs and prices, and this is a formula which has been made clear.

Mr. Saltsman: I realize that the statement has been made, but there seems to be great doubt as to whether it is possible for that to be carried out or to be monitored. Can the Prime Minister indicate whether he is prepared to ensure that unless this is carried out he will not go ahead with his restraint program on wages?

Mr. Trudeau: I think that is a fair suggestion. All along the government has said that in order for its restraint program to be successful there would have to be justice as it applies to all sections of the economy, and the hon. member is really indicating that he agrees with that in saying that the program should not work if it does not work equally for all, and this is certainly our intention.

[*Translation*]

SUGGESTED PAYMENT OF PRICE DISCOUNT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in the absence of the Minister of Finance, I would like to direct my question to the Prime Minister.

Due to the rather difficult situation facing the country at this time, the Minister of Finance launched a program of voluntary restraint a month ago. At that time, I was out west, and I stated that within three months the government would have to resort to mandatory measures. We have come to that point now. Does the Prime Minister not believe that the government is in the process of causing anarchy in this country? On the other hand, with all the expenditures caused by these numerous studies, would the Prime Minister consider seriously the possibility of issuing an order for the payment of a discount of 20 to 30 per cent on retail prices in order to satisfy the Canadian consumers' fair claims in the face of inflation and the high cost of living, while maintaining peace in Canada?

[Mr. McGrath.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must say in the first place that I do not accept the hon. member's view on the country and I am unaware of the anarchy which he mentioned. I suppose he was referring to the non-application of the Social Credit concepts, but I have never identified that with anarchy.

Mr. Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question.

The Prime Minister is not aware of any anarchy, but I see quite a lot at the present time in the Post Office Department in Toronto and Montreal, and the Créditistes are not responsible of those conditions, while the government has attempted by all possible means to solve the problem. Does the Prime Minister not agree that other extraordinary means should be taken to try to correct the situation?

Mr. Trudeau: There are no doubt other ways, but the hon. member knows that the steps taken by the government are being implemented and discussed. If those steps were absolutely ineffective, I would understand the hon. member's question, but according to the questions asked today and the press reports, he knows on the contrary that the means advocated by the government and the Minister of Finance are now very actively discussed by unions, by contractors and the provinces.

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[*English*]

LABOUR CONDITIONS

REASON FOR FAILURE TO PROSECUTE LONGSHOREMEN IN QUEBEC FOR NOT COMPLYING WITH BACK-TO-WORK LEGISLATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Labour with respect to the direction made by parliament 16 days ago that the dockers should go back to work. Since then there has been flagrant lawlessness among those affected who have been refusing to comply? This has had the natural result in another field of labour relations where today the head of a large union has stated that the Olympic games may have to be postponed to 1977. Can the minister tell the House why it is there have been no prosecutions when the law passed by parliament is being deliberately broken?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as I have indicated before, officials of the Department of Justice are at work to bring together the evidence that they feel is necessary for the prosecutions to which the right hon. gentleman has referred. I would also say in regard to the application before the court that I referred to earlier this week in answer to the right hon. gentleman's question, that I have been advised that Mr. Justice Deschênes will be handing down his decision tomorrow afternoon.

Mr. Diefenbaker: A supplementary question. In view of the law passed by parliament in solemn form which is being deliberately broken, is it not reasonable to ask why prosecutions are not taking place? Why is it necessary to ask the courts to grant an injunction when parliament has passed a law? Another question arises out of this, and I am not criticizing the minister personally, Mr. Speaker, because I know he is tied by the orders of the government. Can anything be simpler than this: these wrongdoers have been advised that it is necessary that they go back to work; why does the government not act? Why this attiude of supine subservience to a group of lawbreakers which can only have the result of other lawbreakers following their example?

● (1120)

Mr. Munro (Hamilton East): Mr. Speaker, I think the right hon. gentleman will agree that I cannot substitute the government or myself for the judicial process. The allegations being made must be substantiated in the courts, and that is the process we are going through at present.

Mr. Diefenbaker: Mr. Speaker, I am trying to be of assistance. As one who knows something about prosecutions, I can not think of a clearer case. There is the law; it was made known to these people; they have broken it for 15 or 16 days, and the minister and the Minister of Justice say, "We are having the matter looked into." Surely, the case is so clear that even a blind man could get a conviction.

Mr. Munro (Hamilton East): Mr. Speaker, I think the right hon. gentleman will agree that it will take a court to make that kind of decision.

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—REQUEST FOR STATEMENT ON RESULTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct my question to the Prime Minister? As the law of the Sea Conference ends today in Geneva, and in view of the importance to all Canadians of the decisions that are reached at that conference, does the government intend to make a statement in the House concerning the results of the conference? If so, when can we anticipate that statement in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs has just now returned from the conference. He was preceded there by several ministers. I am sure he and other ministers will be happy to answer questions, if they are asked of them.

Mr. Crouse: Mr. Speaker, may I redirect my question to the Secretary of State for External Affairs. I am sure he listened to it carefully and in the interest of saving time I will not repeat it.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have returned from the Law of the Sea Conference—

Mr. Fairweather: When? Is that classified information?

Mr. MacEachen: I have to be cautious. I have just returned, I should emphasize. Although I am satisfied with the general progress that has been made at the conference, and the progress made in reaching Canadian objectives, I point out that today the conference will receive the so-called unified negotiating text, from which we will see more clearly what the results have been of the work of the chairmen of the three committees. I should like to consider the possibility of making a statement after we have had the results of the tabling of the documents. This, I expect, would have taken place today at Geneva.

LAW OF THE SEA CONFERENCE—POSSIBILITY OF UNILATERAL ACTION TO PROTECT OFFSHORE RESOURCES IF CONFERENCE FAILS

Mr. Lloyd R. Crouse (South Shore): A supplementary question, Mr. Speaker. In view of reports which have been made available to Canadians by news services it seems that no comprehensive agreement will be reached at the conference, will the Canadian government, therefore, act unilaterally to protect its interests, in the fisheries and other resources off the coasts of Canada? If not, what action does the government plan to take to protect the resources of our continental shelf, resources which rightfully belong to all Canadians?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I realize, as the hon. member realizes, that even though progress has been made and even if the unified text is agreeable to Canada, it is still not law. It is still only a basis for further negotiations. At present we are and will be discussing the results of the conference and will be determining as a government what future course of action should be taken. It has been made clear already that unilateral action is one of the policy options open to the government, and it certainly is a lively option at present and will be considered in the light of all factors.

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FISHERIES

POSSIBILITY OF CANADIAN PROPOSAL AT ICNAF THAT OTHER NATIONS REDUCE QUOTAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I direct a supplementary question to the Minister of State responsible for fisheries. The minister indicated at the Law of the Sea Conference that he was requesting nations to cut their quotas by 40 per cent. I wonder of the minister obtained that agreement; also can he tell the House what action he took to discuss the reduction of quotas with certain nations and if he is going to show leadership in the so-called ICNAF council and discuss this matter.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, what I said at Geneva was what will be proposed to the ICNAF meeting next June in Edinburgh, which is that foreign fleets, but not those of Canada, should reduce their effort by 40 per cent. We will go to this conference with a very clear position on this issue. I talked to some of the key delegations at Geneva about this very question and asked for their understanding. I made it very clear that if we are asked to be patient, at least ICNAF will be an area where we will see some real progress.

SUGGESTED UNILATERAL ACTION TO PROTECT FISHERIES IF LAW OF THE SEA CONFERENCE FAILS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a supplementary question for the Minister of State (Fisheries). In view of the fact the Law of the Sea Conference which ends today will fail to come up with a solution to the problem of over-fishing, and in view of the fact that in the eastern part of Canada time is running out, is the minister prepared to recommend to his colleagues and the House that unilateral action be taken to protect our fisheries and our fishermen?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am sure the hon. member must have been listening to the answer of my colleague, the Secretary of State for External Affairs. I hope very much that the assessment we are making will be a collective effort of this government and that is my intention.

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EXTERNAL AFFAIRS

CYPRUS—SUGGESTION NO FURTHER PERMITS ISSUED FOR EXPORT OF ARMS TO TURKEY UNTIL MILITARY OCCUPATION ENDED

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I think my question should appropriately be addressed to the Prime Minister in view of the fact he recently returned from the meeting of Commonwealth Prime Ministers and because it affects more than one department of government. Since July 20, 1974, export permits for war materials have been issued by Canada without any restriction as to the use of the material on the island of Cyprus. In view of the fact that Cyprus is a member of the Commonwealth and the Turkish armed forces have continued military occupation on part of that island, will the Prime Minister either give today, or consider giving, an undertaking that no further export permits will be granted for the export of arms to Turkey until the military occupation of the territory of a fellow member of the Commonwealth is ended?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of the question. I am not aware of the countries to which permits for export of arms have been issued.

Mr. Brewin: Perhaps I could call to the attention of the Prime Minister that on March 10 a return was put in by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce setting out all the details of these export permits.

[Mr. Marshall.]

Mr. Speaker: Order, please.

GARRISON DIVERSION—POSSIBLE REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. On February 4 the minister stated the government had under consideration the matter as to "whether the International Joint Commission might be the appropriate body to carry out the task" of determining how the Garrison Diversion project could be remodelled to avoid any harmful effect in Canada. Will the minister please inform the House as to whether or not a decision has been reached concerning this matter and what are the results of that decision?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I would like to refresh my memory on the developments that have taken place since that time. We have had discussions with the government of Manitoba. I believe the situation at the present time is that we are working on a possible reference. We have not made the final decision to have that reference to the joint commission, but we are taking preparatory action in the way of working out the terms of that reference. As I say, I would like to refresh my memory and give the hon. member a more detailed answer.

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● (1130)

ENERGY

NATURAL GAS—POSSIBILITY OF AGREEMENT ON PRICE WITH PRODUCING PROVINCES—DURATION OF AGREEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether he has reached an agreement with the natural gas producing provinces as to price, and, if so, for how long will that price remain constant? I think he will share my view that the price of energy is one of the most aggravating causes of inflation in all countries.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): There has been no agreement with the gas producing provinces on the question of price. I had a further meeting yesterday with the Alberta ministers at which the position of the two governments was made more precise. But there has been no agreement.

Mr. Woolliams: When the minister says the positions taken by the two governments have been made more precise, does he mean that the governments concerned are not very far apart in reaching agreement to fix the price of gas for a certain period of time? How long would that period be?

Mr. Macdonald (Rosedale): I do not think one could necessarily draw that conclusion from what I have just said. We shall be going on to discussions with other prov-

inces, particularly the consuming provinces, in an effort to reach some general agreement on this question. I think it would be desirable if some agreement could be achieved on the phasing of natural gas prices to commodity value over the period of three years.

NATURAL GAS—APPLICATIONS FOR PIPELINES TO TRANSPORT GAS FROM ARCTIC BEING CONSIDERED BY ENERGY BOARD

Mr. Eldon M. Woolliams (Calgary North): Could the minister tell us whether the National Energy Board is processing certain applications for pipelines carrying natural gas from the Arctic in the light of the disclosure that Panarctic, on Drake Island, I think it is, has produced one of the largest natural gas fields in Canada, if not in North America?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Panarctic, and some partners under the title of Polar Arctic Gas Project, is studying the possibility of a gas transmission system from the higher Arctic islands but at the moment there is no application before the National Energy Board. With respect to Mackenzie Valley and Mackenzie Delta gas, there are applications from two competing firms before the Board. Hearings will begin this summer.

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BILINGUALISM

POSSIBLE REFERENCE OF QUEBEC'S BILL 22 TO SUPREME COURT—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is directed to the Prime Minister. Has the cabinet had an opportunity to complete its review of the petition by the Quebec Association of Protestant School Boards and others, submitted on February 17, 1975, asking for the disallowance of Quebec's Bill 22 and/or its reference to the Supreme Court of Canada, and has any decision been made by the cabinet with respect to that matter?

Right Hon. P. E. Trudeau (Prime Minister): I would have to refresh my memory as to the follow-up in response to the petition. On the substance of the question, however, the government is not disposed to bring this matter before the Supreme Court. I have made that clear on previous occasions.

Mr. Baker (Grenville-Carleton): In view of the government's intention to recognize in a financial way the bilingual capacity of some public servants, can the Prime Minister explain how at the same time he can ignore a provincial statute which seems to violate the principles for which he stands?

Mr. Trudeau: I thought it would be clear to most members that a provincial government has authority in areas within provincial jurisdiction and the federal government in areas of federal jurisdiction. The hon. member should know that the jurisdiction of the federal government applies only to areas under the authority of the federal government.

Mr. Baker (Grenville-Carleton): Ten o'clock.

* * *

[*Translation*]

INDUSTRY

FOOTWEAR—SUGGESTED AID TO MANUFACTURERS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce.

Considering the many layoffs in the footwear industry in Acton Vale, Granby and other Quebec localities and the fact that this industry had to cut back its production by 60 per cent, mostly because of cheap labour imports from communist countries, is the minister looking into this matter at present and will he soon have other effective proposals to make in order to help this industry where jobs are threatened, in addition to the only remedial measure taken by this government, that is the establishment of retraining committees for workers with 25 years or more of experience in this field, whereas the cost of those committees is now supported by the employers and future or retrained unemployed?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): We have produced a program for the footwear industry in Canada. It took effect, I think about 18 months ago at the beginning of 1974. The industry has moved rather more slowly than I had hoped in availing itself of the benefits of the program but I believe there has been a significant move toward modernization of the industry. In addition, we have provided a number of grants, and assistance through such organizations as Fashion Canada to assist the design side of the footwear industry in Canada.

[*Translation*]

Mr. Rondeau: A supplementary, Mr. Speaker.

Since we are aware of an industrial program related to the footwear industry and of a 60 per cent cutback in production in my riding, will the minister reconsider this program in order to put forward other more effective solutions than the ones which the employers now feel are inadequate?

[*English*]

Mr. Gillespie: We are always prepared to seek improvements; we are actively looking for improvements. We are working with the industry itself. The hon. member will agree that a program of this kind must have the full support of the industry or else it will not work.

Oral Questions

EXTERNAL AFFAIRS

SUGGESTION CANADA NOT DEAL IN NUCLEAR ITEMS WITH COUNTRIES NOT SIGNATORIES TO NON-PROLIFERATION TREATY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given the fact that within the last two or three days the chairman of the Atomic Energy Board of Canada has stated that it is impossible to apply any appropriate safeguards in dealings involving nuclear items, will the government reconsider its proposal to deal with countries which are not signatories to the non-proliferation treaty?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I have not seen the comments made by the gentleman to whom the hon. member has referred but I shall be happy to look at them. My colleague, the Minister of Energy, Mines and Resources, announced last December the government's policy on safeguards; we believe it to be the best that can be provided at the present time. We apply these stringent and rigid bilateral safeguards to all sales.

Mr. Gillies: What confuses Canadians with respect to this issue is that if the government has taken a strong moral stand in connection with the spread of nuclear weapons, and, indeed, the spread of armaments of any kind, how can it justify dealing with any country which does not subscribe to the non-proliferation treaty? How can the minister reconcile dealing with and financing sales to countries which will not sign this treaty, while at the same time declaring that he supports the treaty in its entirety?

Some hon. Members: Hear, hear!

Mr. MacEachen: We are, of course, strong adherents to the NPT. Yesterday, or the day before, at the review conference I expressed once again the position taken by the Government of Canada. In my statement I made it clear that in terms of aid we would require NPT adherence from the receiving country; in the case of export financing this would be considered as an important factor. In all transactions with other countries we shall certainly consider their membership in the NPT. The hon. member will have noticed that recently the Republic of Korea expressed its adherence to the treaty. This will certainly make it easier for the Government of Canada to undertake nuclear arrangements. In all cases we shall insist on bilateral safeguards which are as strong and as rigid as those imposed by any other supplying country.

Mr. Gillies: Surely, it is more important for the government to show its support for the non-proliferation treaty by declaring it will not deal with any country which does not sign the treaty rather than sell a few extra reactors. My question is this. How can the government reconcile its position of saying that it supports the treaty in the strongest way but in fact still deals with countries which do not support the treaty?

[Mr. Gillespie.]

● (1140)

Mr. Speaker: Order. It seems to me that is precisely the question to which the hon. member has received a response.

Mr. Brewin: May I put a supplementary question to the minister?

Mr. Speaker: Order, please.

* * *

SOCIAL SECURITY

ALLEGED INEFFICIENCY OF TORONTO OFFICE RESULTING IN RECIPIENTS NOT RECEIVING BENEFIT CHEQUES

Mr. John Wise (Elgin): Mr. Speaker, in the absence of the Minister of Agriculture, may I direct a question to the Minister of National Health and Welfare on a different subject. In view of the apparent confusion and lack of efficiency that exists in the Toronto regional office of the Department of National Health and Welfare which has resulted in many GIS recipients not receiving their GIS cheques for the month of April, even after submitting two or three application forms, would the minister investigate the situation with dispatch in an effort to restore some degree of efficiency and better business practice and procedures to that office?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will certainly look into the matter. This is the first time this has been brought to my attention, and if there are certain cases along the lines mentioned by the hon. member, I can assure you we will look after them.

* * *

EXTERNAL AFFAIRS

NORAD—ALLEGED CONFLICT BETWEEN CABINET MINISTERS ON MEANING OF THE AGREEMENT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, I have a question for the Prime Minister. In view of the joint, integrated command nature of the NORAD agreement, is it a premise of the agreement that an enemy of the United States is an enemy of Canada, and that an enemy of Canada is an enemy of the United States?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Wenman: A supplementary question. In view of the Prime Minister's negative answer, and in view of the statement made in answer to the same question by the Minister of National Defence, who said "In my view an enemy of the United States would be an enemy of Canada, and an enemy of Canada would be an enemy of the United States," is the Prime Minister therefore reversing government policy, or is this a new foreign policy thrust by the Prime Minister?

Mr. Trudeau: No, it is not a new foreign policy, Mr. Speaker. The hon. member asked me a specific question about NORAD and whether that entailed certain positions of policy and my answer was no. The Minister of National Defence may have been stating the general position, that we are friends with the United States and that we have a very long lasting friendship with them.

Mr. Wenman: A final supplementary question. In view of conflicting statements by members of the cabinet, including a positive response by the Minister of National Defence and a negative response by the Secretary of State for External Affairs, would the Prime Minister consider making a statement in the House of Commons on the policy and philosophy of the NORAD agreement?

Mr. Trudeau: Mr. Speaker, I think the NORAD agreement was debated at some length by the parliamentary committee in recent weeks. If the hon. member would only read the minutes of the meetings he would learn a little bit about it.

NATO—POSSIBILITY OF REMOVING LAND FORCES FROM ORGANIZATION—GOVERNMENT POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question to the Prime Minister is supplementary in terms of Canada's foreign policy. While the Prime Minister was at the Commonwealth conference discussing mutual problems with the various Prime Ministers, did he consult with the Prime Minister of Great Britain and advise him that the cabinet is considering pulling back all of its land forces to Canadian territory, leaving just the air element in NATO?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, may I ask whether the hon. member is asking about Canadian land forces or United Kingdom land forces?

Mr. Nowlan: Mr. Speaker, let me ask the question specifically. Is the cabinet considering withdrawing completely the land element of Canadian forces in NATO, leaving only the air element portion that is still there?

Mr. Trudeau: Mr. Speaker, I certainly did not discuss anything of that kind with the Prime Minister of Great Britain.

Mr. Nowlan: A supplementary question, Mr. Speaker. Since we have had a rather listless day from a lazy, lackadaisical government that does not want to answer a question about anything, let me be very specific. I appreciate that I cannot find out all that the Prime Minister may have talked about with Prime Minister Wilson, if he talked with him at all, but is the cabinet seriously considering a withdrawal of land forces in NATO to this country, thus leaving only the air element to give some symbolic significance to Canada's participation in NATO, since our Prime Minister was indisputably the leader in one area in first pulling out of NATO back in the heydays of 1968?

Mr. Speaker: Be that as it may, that is exactly the question put by the hon. member to the Prime Minister in the first place.

Mr. Nowlan: Mr. Speaker, the Prime Minister is diabolically clever—

Some hon. Members: Hear, hear.

Mr. Nowlan: —in terms of evading or parrying questions.

Mr. Speaker: Order, please. The hon. member has twice asked the Prime Minister whether the cabinet is seriously considering pulling back its land forces. If the hon. member has a final supplementary he may put a different question.

Mr. Nowlan: Mr. Speaker, my basic question is this. Is the cabinet seriously considering that proposal? The Prime Minister parried my question and referred to discussions with Mr. Wilson.

Mr. Trudeau: That was no parry. The hon. member mentioned Mr. Wilson in his first question.

Mr. Nowlan: You are listless, lazy and lackadaisical, the whole bunch of you.

* * *

PUBLIC SERVICE

NURSES—SUGGESTION GOVERNMENT CONSIDER INCLUSION OF COST OF LIVING CLAUSE IN CONTRACT TO SETTLE STRIKE

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the President of the Treasury Board having to do with nurses on strike throughout the country. Since one of the major obstacles to settlement of the strike and to returning to work seems to be the failure of the government to agree to the inclusion of a cost of living clause in nurses' contracts, and since the inclusion of such a clause would go a long way, if not all the way, to getting the nurses back to work, is the government going to accede to their reasonable request for the inclusion of such a clause and bring this strike to an end?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I indicated recently the government's position. We have accepted the conciliation report. At some stage of the conciliation, I presume this issue must have been raised and none of the 3 members has recommended it.

* * *

[*English*]

NORTHERN AFFAIRS

WATSON LAKE—GOVERNMENT ACTION TO PROVIDE PROPER MEDICAL FACILITIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question that I was going to put to the Minister of National Health and Welfare but since he has stepped out for a moment perhaps the Minister of Indian Affairs and Northern Development would answer my question. Since the entire nursing staff at Watson Lake,

which is one nurse, is out on strike and that that community also serves the mining community of Can Tung, and since the government has seen fit to throw the only doctor in that community into jail for failure to register for medicare, can the government inform me and the citizens of those communities what steps it is taking to provide adequate medical facilities under the circumstances?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it sounds like a very interesting community, but this is a question to which I would prefer to have my colleague the Minister of National Health and Welfare respond.

* * *

TRANSPORT

REQUEST FOR PUBLICATION OF REPORT OF INVENTORY INSPECTION OF RAILWAY BRANCH LINES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I was going to suggest that perhaps the lighting should be checked. After one week I was wondering whether there was a dark spot here. My colleagues on either side of me have also been trying for a week. My question is directed to the Minister of Transport. In view of the inventory inspection of railway branch lines which is going to be conducted by the Canadian Transport Commission, will this inventory report be made public and will it also include any reduction in inventory since the last freeze was imposed in 1970?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I should like to know whether the hon. member is referring to the inquiry which is led by the WEO conference or to the one by the CTC?

Mr. Korchinski: The CTC.

Mr. Marchand (Langelier): Then, I will get in touch with them and ask.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I am not the one who established that law.

● (1150)

Mr. Korchinski: I have a supplementary question, Mr. Speaker. In view of the fact that the railways now have to open up their books to the government, may I ask the minister whether it will be possible to determine from these books the amount of the systematic reduction in inventories by the railways, particularly on those branch lines which are scheduled for abandonment such as has taken place in the last five years?

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. gentleman is aware that it has been announced there is an inquiry is respect of all branch lines.

Mr. Korchinski: I am talking about the books being opened up and not about branch lines. In view of the fact that the railways now have to reveal their books to the government and not to the public, may I ask the minister whether it will be possible for the public to determine the amount of the reduction in the inventory on those branch lines scheduled for abandonment to determine the degree to which the railway companies have conducted a systematic scuttling of those rail lines prior to any approval either by the government or the CTC of the abandonment of those lines.

Mr. Marchand (Langelier): Mr. Speaker, I think I indicated, and it has been clarified, that the railways are now compelled to supply the Ministry of Transport and the CTC with all the elements which constitute the freight rates, but I can say there is no law that says the railways must open their books. I tell you it is not being done. I asked for information last week and received a very nice answer saying that this is not going to be revealed to anybody, including the Minister of Transport. Someday I hope we will have an opportunity to discuss that here in the House.

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EXTERNAL AFFAIRS

INQUIRY WHETHER WIFE OF PRESS ATTACHÉ OF PEOPLE'S REPUBLIC OF CHINA LEFT CANADA WITH HIM

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Did the wife of the Chinese diplomat who was asked to leave Canada, and who is herself part of the diplomatic mission, accompany her husband back to China?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will have to check that and advise the hon. member later.

* * *

PUBLIC SERVICE

REQUEST THAT MICHAEL PITFIELD APPEAR BEFORE COMMITTEE—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the genial and well-rested Prime Minister. I should like to ask the Prime Minister whether he will cause Mr. Michael Pitfield to appear before the Miscellaneous Estimates Committee when the committee considers the general estimates of the Privy Council office on Monday night next so that members may question directly the most powerful public servant in Canada as we can question the less powerful public officials?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Parliamentary Secretary to the President of the Privy Council will be appearing before that committee on Monday.

Mr. Clark (Rocky Mountain): Mr. Speaker, is the Prime Minister then suggesting to the House that he intends to hide from public view and Parliamentary questioning the most powerful public servant in the country and not even send someone of cabinet rank to answer questions about

what this man is doing to determine public policy in the country and will he tell us why he will not send Michael Pitfield to face a parliamentary committee.

Mr. Speaker: Order, please. The hon. member for Prince George-Peace River.

* * *

INDUSTRY

FOREST PRODUCTS—REQUEST FOR RE-ESTABLISHMENT OF MINISTRY OF FORESTRY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I also direct my question to the Prime Minister. In light of the importance of the well-being of the lumber and wood fibres commodity group which not only employs directly and indirectly about one million Canadians but also contributes about $5 billion to our balance of payments annually, and in light of the official forestry week celebrations in Canada, can the Prime Minister advise whether it is the intention of the government to re-establish a Ministry of Forestry which would adequately deal with the many facets of not only the economic side of forest management but also matters relating to environmental concerns and forestry.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

DRUGS

GLUE SNIFFING—GOVERNMENT ACTION TO COMBAT PRACTICE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of National Health and Welfare now that he has returned. In the last Parliament I asked the Minister of National Health and Welfare what action the government was considering or taking in connection with the damaging use by very young Canadians of toxic substances such as in the practice of glue sniffing. Today I ask the minister whether he can announce any progress in combatting this practice which continues, and which can cause permanent damage to the youthful users?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer is the same as last year.

Mr. O'Sullivan: Mr. Speaker, since the answer of last year was a non-answer, I now ask the Minister of National Health and Welfare whether he is, within the large budget of his department, hoping to embark upon a national educational program in conjunction with the provinces to warn young Canadians of the very serious dangers involved in the use of glue and other toxic substances in this manner.

[*Translation*]

Mr. Lalonde: Mr. Speaker, the real problem is not glue sniffing, but drug abuse in general. There is a major program presently implemented throughout Canada in co-operation with the provinces. We must therefore launch an all-out attack against the drug abuse problem in every shape and form, including the substitutes mentioned by the hon. member.

* * *

[*English*]

SOCIAL SECURITY

DATE OF INTRODUCTION OF AMENDMENTS TO OLD AGE SECURITY ACT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the commitment the minister has made to bring in certain amendments to the Old Age Security Act, at least some of which have been promised to be in effect by October, will the minister be introducing this legislation soon so that it can be dealt with and passed before the end of June and thus be on the statute books?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker.

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THE CANADIAN CONSTITUTION

POSSIBILITY OF RESUMING CONFERENCE

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

In view of the fact that the Quebec premier recently mentioned publicly the possibility of reopening constitutional talks, and that the Prime Minister of Canada had the opportunity of meeting the Quebec Premier not long ago at a conference, is the Prime Minister in a position to tell us whether the Quebec Premier discussed this matter with him and, be that as it may, does the Prime Minister intend to invite the provinces to reopen constitutional talks and make those the subject-matter of a federal-provincial conference?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can say that at the present time I have no intention of convening a meeting of the provincial premiers to discuss the constitution. I may do so at a later date.

* * *

[*English*]

PENITENTIARIES

NEW WESTMINSTER—ALLEGED ATTEMPT TO STOP PROSECUTION OF SEVEN GUARDS FOR ASSAULT AND SENDING OF LETTER OF COMMENDATION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Solicitor General. About two months ago seven guards at the New Westminster federal penitentiary were convicted of assault against one of the prisoners. I should like to ask the Solicitor General

whether he or someone in his department attempted to stop the prosecution by phoning a member of the provincial Attorney-General's department or by asking the special prosecutor to drop the charges and did the Solicitor General or someone in his department send a letter of commendation to the convicted guards?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, so far as I know there was no attempt to have the Attorney General drop the charges, although we had discussions with the Attorney General while the case was under consideration concerning whether charges would be laid and the reasons and so on. In respect of the second question, I think the hon. member asked if we sent a letter of commendation to the guards. We did not do that. We sent a letter, I do not know whether it was to the guards or the institution, stating we would support the guards if they wished to bring the case to appeal. The guards decided that they would not bring it to appeal because they had been given a discharge on the sentence. I think that is the content of the letter, but I will read it again.

NEW WESTMINSTER—INQUIRY WHETHER SEVEN GUARDS CONVICTED OF ASSAULT RECEIVED PROMOTIONS OR TRANSFERS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, did any of the seven guards receive promotions or transfers away from the correctional division of the penitentiary?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will have to check that. I would not be involved in that kind of a promotion or transfer in any case. That would be an administrative matter under the penitentiary service, but I will find out what happened to those seven guards.

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TRADE

PROPOSAL DEVELOPING COUNTRIES USE RAW MATERIALS TO FORCE INDUSTRIALIZED NATIONS TO GIVE THEM GREATER SHARE OF WEALTH—GOVERNMENT POSITION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I should like to direct a question to the Prime Minister. In light of a statement to the effect that the developing countries plan to use their raw materials to force the industrialized nations to give them a greater share of the world's wealth, what was the position of the Prime Minister on this view and does he plan to increase trade with developing nations and pay higher prices for their raw materials?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my position was very simply to remind the conference that more than 50 per cent of the world's raw materials come from developed countries, and this kind of a suggestion would really not have the effect the third world might desire.

[Mr. Friesen.]

EXTERNAL AFFAIRS

RHODESIA—GOVERNMENT VIEW OF CONTRIBUTING FUNDS TO AID IN REMOVING PRIME MINISTER SMITH'S GOVERNMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, does the Prime Minister plan to contribute funds to help bring about the ouster of Rhodesian Prime Minister Ian's Smith's white minority regime? If so, how will he ensure that these funds will not be used to buy weapons?

● (1200)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the communiqué speaks for itself. There is no indication in it that the Commonwealth governments as a group will buy weapons for freedom fighters. It is well known, of course, and several members of the Commonwealth indicate quite openly, that if the talks to achieve independence with majority rule are not successful, they intend to return to the guerilla tactics.

ROUTINE PROCEEDINGS

[*Translation*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Fourth report of Standing Committee on Indian Affairs and Northern Development, in both official languages—Mr. Dionne (Northumberland-Miramichi).

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

[*English*]

Mr. Diefenbaker: Mr. Speaker, my point of order arises as a result of the generalization of answers given today, as has been the case throughout the last few months, on matters particularly connected with foreign affairs. I am in no way suggesting that I agree with the viewpoint of the hon. member for Annapolis Valley (Mr. Nowlan) who described the Prime Minister (Mr. Trudeau) as possessing a quality that I am sure he does not possess. I would call it Machiavellian casuistry.

We have had no opportunity to discuss foreign affairs. It cannot be done simply through questions asked in the House. We know nothing about what is happening in NATO, the withdrawal of forces and the answer to the question raised by the hon. member for Don Valley (Mr. Gillies). We know nothing about the NORAD situation and we cannot obtain information and will not unless one or two days are set apart for the discussion of foreign affairs in the House. Today it is a closed book, with the government simply hiding the facts behind the rules of parliament which prevent any elucidation of foreign affairs through questions.

I think it is unusual to have a minister giving one view concerning the withdrawal of forces from NATO, and to have another view expressed by the Prime Minister today in reference to a statement made by the Minister of National Defence (Mr. Richardson). Realizing the importance of foreign affairs, I ask the government House leader to

make arrangements so that we can discuss these matters, so that foreign affairs do not become a matter of secrecy for the government.

We know nothing about the Chinese diplomat. The government has hidden behind clouds of questionable statements on the subject. We want to know. There is only one way in which we can get the information; that is, to have the views of parliament respecting these matters. Then, possibly, the government will be able to give us some insight into its thinking on what is happening internationally.

Mr. Sharp: I rise on the same point of order, Mr. Speaker. I am sure it is well known to the right hon. gentleman that there are 16 allotted days designated before the end of June, and it would be possible to call the Secretary of State for External Affairs (Mr. MacEachen) before the House of Commons in committee of the whole. I know of no more democratic form than that.

Mr. Diefenbaker: In the British House of Commons, opportunities are given—

Mr. Speaker: Order, please.

Mr. Diefenbaker: The government is hiding behind subterfuge.

Mr. Speaker: Order, please. The point of order having been made and responded to; we should not get into a debate on it.

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EXTERNAL AFFAIRS

NORAD—TABLING OF EXCHANGE OF NOTES BETWEEN CANADA AND U.S.A. CONSTITUTING RENEWAL OF AGREEMENT

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I wish to table, in both official languages, copies of an exchange of notes between the Government of Canada and the Government of the United States of America constituting an agreement to renew the agreement of May 12, 1958, as extended, concerning the organization and operation of the North American Air Defence Command—NORAD.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,365, 1,600, 1,820, 1,821, 2,049, 2,053, 2,104, 2,145, 2,151, 2,222, 2,251, 2,267, 2,364 and 2,398.

Mr. Speaker, if questions No. 1,993 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,399?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

PERSONNEL CONNECTED WITH CBC PROGRAMING

Question No. 1,365—Mr. Cossitt:

What are (a) the names (b) job designations (c) specific duties (d) annual salaries (e) the dates hired and previous employment of all persons connected in any way whatsoever with, and specifically including, producing, editing, writing or directing CBC news programmes (i) the World at Eight (ii) the World at Six (iii) the National TV News?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) (b) (c) (d) (e), (i) (ii) and (iii): It has not been customary to require the CBC to supply such details of its internal management and administration.

MULTICULTURALISM GRANTS—MANITOBA, 1968-74

Question No. 1,600—Mr. Epp:

What was the total amount given to Manitoba federal constituencies under provisions of multiculturalism for each year 1968 to 1974 and what was the amount for each such constituency?

Hon. James Hugh Faulkner (Secretary of State): A total of $301,425 in grant monies has been awarded to voluntary organizations in Manitoba federal constituencies for projects confined to the province of Manitoba under the multiculturalis program since its inception in 1971 until December, 1974. Statistics for the distribution of grant monies by federal constituency are not kept by the multiculturalism program.

Fiscal Year	Amount
1972-73	$ 68,615
1973-74	$108,316
1974-75 (to December 31, 1974)	$124,494

LANGUAGE TRAINING—CNR

Question No. 1,820—Mr. Cossitt:

What was the total amount budgeted or spent for bilingualism over each of the past six years by CNR and how many employees have been or are involved in any way with (a) French language lessons (b) English language lessons?

Hon. Jean Marchand (Minister of Transport): The management of Canadian National Railways advises as follows: the amount spent for bilingualism, i.e., translation, terminology and language training in each of the past six years is as follows:

1969	$245,000
1970	$303,000
1971	$423,000
1972	$494,000
1973	$614,000
1974	$877,000

Order Paper Questions

The number of employees included in language courses:

	(a) French	(b) English
1969	253	56
1970	292	233
1971	262	139
1972	309	53
1973	380	65
1974	640	113

BILINGUALISM COSTS

Question No. 1,821—**Mr. Cossitt:**

What was the total amount budgeted or spent for bilingualism over each of the past six years by Air Canada and how many employees have been or are involved in anyway with (a) French language lessons (b) English language lessons?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: 1969-1973: Prior to May, 1973, language training, translation and other bilingualism costs were included with costs for other forms of training and with general administrative expenses. The numbers cannot be segregated. 1974: $1,108,-000. This amount includes planning and administration, language training, translation and terminology. (a)(i)(ii) 1969-1972: Language training was included with other forms of training and numbers cannot be segregated. 1973: From 48 employees as of May to over 400 at year-end almost all French-language training. 1974: 1,197 employees—French language training, 13 employees—English language training.

COST OF PARLIAMENTARY RETURNS OFFICE OF DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Question No. 2,049—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Indian Affairs and Northern Development?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Classified salaries, $47,442; *Professional and Special Services, $1,233; Travel and removal, $1,414; Telephones, telegrams, postage, $2,471; Office stationery and supplies, $3,232; Acquisition of equipment, $775; Total, $56,567.

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*Represents employees training.

NOTE: Above costs are direct costs only. They do not include support services costs, accommodation costs nor employer's share of superannuation costs (the latter being 6.97 per cent of total salary costs).

**The above are the operation costs of the Parliamentary Relations Division where parliamentary returns are a component of the overall responsibility.

[Mr. Marchand (Langelier).]

COSTS OF PARLIAMENTARY RETURNS OFFICE OF DEPARTMENT OF MANPOWER AND IMMIGRATION

Question No. 2,053—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Manpower and Immigration?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): None. There is no Parliamentary Returns Office in the Department of Manpower and Immigration. Parliamentary returns are the responsibility of several members of the deputy minister's Office.

UNEMPLOYMENT INSURANCE COMMISSION

Question No. 2,104—**Mr. Beaudoin:**

1. How many persons are employed in the Unemployment Insurance Commission (a) in each province (b) in Canada?

2. What is the total office rent (a) for each province (b) for Canada?

Mr. William Rompkey (Parliamentary Secretary to Minister of Manpower and Immigration): As of March 31, 1975:

1. (a)

Newfoundland:	263	Ontario:	4489
Prince Edward Island	45	Manitoba:	449
New Brunswick:	555	Saskatchewan:	196
Nova Scotia:	267	Alberta:	393
Quebec:	3299	British Colombia:	1231

(b) In Canada: total: 11,187 employees.

2. (a)

Province	(b) Annual Rent for the Year 1974
Newfoundland	$ 334,992.00
Nova Scotia	389,040.00
Prince Edward Island	66,504.00
New Brunswick	839,904.00
Quebec	3,618,780.00
Ontario	4,687,048.60
Manitoba	520,384.56
Saskatchewan	180,820.44
Alberta	444,987.36
British Columbia	1,430,151.00
Whitehorse, Y.T.	1,133.46
Totals for Canada	$12,513,745.42

INVESTMENT IN FILM "SWEET MOVIE"

Question No. 2,145—**Mr. Herbert:**

What was the amount of the investment of the Canadian Film Development Corporation in the film "Sweet Movie"?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Film Development Corporation as follows: The CFDC's policy is not to divulge the individual amounts invested in the various productions in order to protect the producer and other investors in their negotiations with third parties.

FINANCIAL SUPPORT FOR FILM "HOCKEY VS XOKKEN"

Question No. 2,151—**Mr. Herbert:**

Has the Department of the Secretary of State considered financial support for the film of the 1974 Canada-Russia series "Hockey vs Xokken", on the basis of its example as a form of Canadian culture?

Hon. James Hugh Faulkner (Secretary of State): No.

CBC DRAMA CRITICS

Question No. 2,222—**Mr. Korchinski:**

1. Does CBC have a number of drama critics across the country who are specifically asked to submit their evaluation and, if so (a) how many (b) in what regions are they located?

2. Does CBC have volunteers who submit their critiques on a regular basis and, if so (a) how many (b) in what regions are they located?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. No.

2. CBC conducts regular surveys of audience response to its tv network programs. The information in these surveys is not, however, provided by "volunteers" but by persons selected by a process of geographically stratified probability sampling that ensures that, within acceptable limits, each survey sample represents a cross-section of all persons aged 12-plus resident in the respective coverage areas of the CBC's English and French tv networks. (a) The total number of respondents varies slightly from survey to survey but, this past season, has averaged close to 2,500 per English network survey, 1,200 per French network survey. (b) These respondents are located in all regions of the country (excluding only Yukon and the Northwest Territories) and, within each province, are distributed in cities, towns and rural areas in approximately correct numerical proportion to the actual population distribution, in these areas, of each network's potential audience aged 12-plus.

RETURNS OF TAXPAYERS WITH REVENUES EXCEEDING $5,000,000

Question No. 2,251—**Mr. Herbert:**

1. With reference to the answer to question No. 578 and question No. 1,151, were approximately one third of the more than 4,000 returns by taxpayers with revenues exceeding $5,000,000 audited in 1973-74?

2. Did more than half of those audited result in increased assessments?

3. Was there no appeal or objection in three quarters of the cases where there was an increased assessment?

4. Is the Department considering a total audit of returns of this size and, if not, for what reason?

Hon. Ron Basford (Minister of National Revenue): 1. Yes. See answer to question No. 578.

2. Yes. See answer to question No. 1,151.

3. There was no appeal or objection in there quarters of the cases where there was an increased assessment. See answers to questions Nos. 578 and 1,151.

4. Yes.

Order Paper Questions

INCOME TAX OWING—MR. ARTHUR GRIBBEN

Question No. 2,267—**Mr. Reynolds:**

Did Mr. Arthur Gribben, now residing in Portugal, leave Canada owing a large amount of income tax and, if so, has the government considered extraditing him?

Hon. Ron Basford (Minister of National Revenue): The Department of National Revenue is prohibited by Section 241 of the Income Tax Act from divulging information relating to taxpayers' affairs.

QUESTIONS NOT ANSWERED FOR VARIOUS REASONS

Question No. 2,364—**Mr. Cossitt:**

1. Since April 20, 1968, what is the total number of times that questions have not been answered in whole or in part on the grounds that the matter being questioned is regarded as confidential, secret, not in the national interest to reveal, or any other similar phraseology?

2. Since April 20, 1968, has the government invoked a supposed need for secrecy, confidentiality, etc. in order to avoid answering questions that are politically embarrassing and, if so, on what date will the government cease this practice and permit full disclosure to Parliament of information requested by elected representatives of the people?

Hon. Mitchell Sharp (President of the Privy Council): 1. The information requested is not readily available and could not be obtained without excessive cost.

2. See guideline No. 45 tabled March 15, 1973 and Beauchesne's Parliamentary Rules and Forms, citation 171.

ELECTRIFICATION OF RAILROADS

Question No. 2,398—**Mr. Robinson:**

Will the government consider electrifying certain sections of the railway lines (a) Toronto-Montreal (b) Toronto-Ottawa (c) Toronto-Hamilton (d) Toronto-London-Windsor (e) Ottawa-Montreal?

Hon. Jean Marchand (Minister of Transport): The railways are presently keeping abreast of electrification technology and, up to this time, many studies have been made on the economics of electrification. However, the capital cost of conversion, at present, on the (a) Toronto-Montreal, (b) Toronto-Ottawa, (c) Toronto-Hamilton, (d) Toronto-London-Windsor, (e) Ottawa-Montreal lines have not lead to consideration of electrification. These capital costs include the construction of the catenary and electric power distribution systems.

*NATIONAL POLITICAL PARTIES RETURN OF CONTRIBUTIONS FORMS

Question No. 2,399—**Mr. Dick:**

Did all registered national political parties file a Return of Contribution form T2092 by March 31, 1975 as required by the Income Tax Act and as specified in Information Circular 75-2 of February 3, 1975 and (a) if not, which parties failed to file (b) if they have since filed, on what date?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): A return of contributions to a registered party (form T2092) is to be filed annually by all registered agents, rather than by each party. The return is to be filed by March 31 of the following year except for the year 1974 when the return is to be filed by June 14, 1975.

The regulation was authorized by P.C. 1975-922 dated April 24, 1975, to be gazetted May 14. It provides that the filing date for 1974 shall be one month after the coming into force of the section. Information circular No. 75-2 did not anticipate a delay in the authorization of regulations and did not indicate an extension of the filing date for 1974 returns. Some registered agents had not filed returns by March 31, but have until June 14 to do so.

* * *

QUESTION PASSED AS ORDER FOR RETURN

CONTRACTS ISSUED BY DEPARTMENT OF SUPPLY AND SERVICES

Question No. 1,993—**Mr. Reynolds:**

1. In contracts issued by the Department of Supply and Services for research and development for each year 1973 to date, what agreements were described therein?

2. Will the Minister define the respective objectives and give the reason for each requirement?

Return tabled.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58

House in committee of the whole to consider certain items of the estimates for the year ending March 31, 1976, pursuant to the provisions of Standing Order 58(9)—Mr. Penner in the chair.

TREASURY BOARD

Resolved, that a sum not exceeding $20,432,000 be granted to Her Majesty for the fiscal year ending March 31, 1976 (less the amount voted in interim supply) as follows:

Vote 1—Central administration of the public service—program expenditures and the grants listed in the estimates, $20,432,000.

The Deputy Chairman: Is it the pleasure of the committee to adopt the resolution?

● (1210)

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Chairman, may I first thank the opposition for doing me the honour of finding me important enough to inaugurate the proceedings on the discussion of departmental estimates in the House of Commons. The members of our party are very happy to be able to take part in the debate, and as you can see, Mr. Chairman, many of them are here to ask questions because they know the administration of the country is in good hands.

An hon. Member: This is debatable.

Mr. Chrétien: We have hardly launched the debate and already the opposition is on the defensive.

[Mr. Reid.]

Mr. Chairman, the control of government expenditures is not an easy task. Everybody is in favour of as much restraint as possible, but not a day goes by in the House without opposition members, who claim we spend too much, rising and calling for further outlays. That is why I welcome this opportunity of defending the government spending program before the House and not before a committee.

I am happy to report to the House that, true, there are internal administration problems, but the Canadian people are confident that we can solve them. The Canadian people know full well that if the Opposition were on this side of the House, it would be a disaster.

A year ago yesterday, the Opposition defeated us in the House of Commons and is still regretting it. The New Democratic Party no longer exists, it has no leader, it may have a new one soon who will perhaps devote three or four days to his responsibilities, provided he can listen to Brahms during the week-end. The Social Credit Party of Canada is faced with all kinds of problems, and the Progressive Conservatives have two or three leaders for the time being but none for the future.

So, Mr. Chairman, you can see why we are very much at ease today to defend our estimates in the House of Commons.

Over the last nine months, since I had the privilege of being appointed President of the Treasury Board, we have been faced with certain difficulties, and I would like to take a few minutes of the time of the House to deal with one problem concerning the general policy of the gouvernment; it is important for the Treasury Board in its expenditure policies, and for all Canadians, to realize that everyone of us, both in the House of Commons and outside, must face the facts.

Canada has been very lucky over the last 19 months since it was spared the economic recession our Southern neighbours, the United States, have been fighting over the last 18 months. Here in Canada, even though the economic expansion we wished for did not realize, we have been in a much better position than the United States, where recession has existed for 18 months now. Of course, we feel some of its effects, because we depend to a great extent on that giant neighbour by which so many of our resources are absorbed and with whom we do a great deal of trade.

Recently, Mr. Chairman, I had the pleasure to represent the Minister of Finance (Mr. Turner) at the special meeting of the Ministers of Finance of the OECD in Paris, and when I explained the situation in Canada, almost all my colleagues, ministers who were attending that conference, told me privately that while they admitted that we had some problems in Canada, they were all prepared, all those ministers of the OECD countries except perhaps one or two, to switch problems with us. Which means that our situation is not as difficult as it may appear to be.

Unfortunately, if we think that we have a ticket to absolute security, I feel we are simply deluding ourselves. That is why the Minister of Finance and members of the Cabinet initiated consultations throughout the country over the past months in order to encourage each and every Canadian to face the economic situation and to contribute

as much as possible to the bettering of our economic situation.

As for us, within the federal government, although things have been relatively peaceful for a long time in the field of collective agreements, we may have been experiencing more difficulties over the last few months. And we have sought to establish principles in order to clarify the situation.

That is why, for instance, we have said repeatedly over the last nine months that we intend to allow civil servants to keep the right to strike which was granted to them by Parliament in 1967, but on the other hand, we also said that in the case of all those who would defy the law and strike illegally, we would take legal action to have them abide by the law. Unfortunately, we have been forced to do so since the month of December against more than 2,000 civil servants.

[*English*]

Mr. Woolliams: If it takes as long to prosecute the longshoremen as it takes to prosecute the others, it will be a great success for the administration of justice in Canada!

[*Translation*]

Mr. Chrétien: Mr. Chairman, I am listening with interest to the hon. member for Calgary North (Mr. Woolliams), but I am not the court. I have done my duty. I submitted the 2,000 cases to the Federal Government's Labour Relations Board, and from then on, it is up to the courts to decide. The chips are down. As far as I am concerned, I must say that the government has fulfilled its obligations. If the legislation is not sufficiently expeditious, if the machinery proves too slow, the Joint Committee of the Senate and the House of Commons studying the Finkelman report may submit recommendations. We, as members of the government, have committed ourselves to table legislation following the submission of the Finkelman report, once the hon. members and senators will have made their recommendations to the government. But considering the legislation as it now stands, I feel, Mr. Chairman, that we have done what our duty called for us to do.

During the years 1971, 1972, 1973 and 1974, governmental expenses may have been considerable, I agree. Of course, in general, the Progressive Conservatives say that we spend too much. However, the New Democrats say that we do not spend enough. But the Canadian people recognize that we always have a much more balanced judgment in these situations and we do not fall into one extreme or the other.

In view of the inflationary pressures on the Canadian economy at this time, and in view of the increase of the unemployment rate in Canada, which is regrettable, but which can give us some satisfaction if we compare it to the rate in the United States since traditionally, during the winter, the United States always have 1 or 1.5 per cent less unemployed than Canada, during the last winter, despite the two metres of snow that we had, our unemployment rate was lower by nearly 2 per cent than that of the United States. However, in view of the delicate situation of our economy, we decided to control our expenses and we hope limit to 16 per cent the increase of our expenditures from 1974-75 to 1975-76. This is the policy that we have established and, since the beginning of this fiscal year, we believe that we can achieve this goal, but I must say, because it is important, that the Minister of Finance (Mr. Turner) may soon present a new budget and, if he discovers any change in the economic situation of Canada following his present analysis, I shall have to adjust this prediction on the basis of any possible change in our economic policy.

Mr. Chairman, I believe that up till now, even though we have had many problems, we have coped with them in a much better way than most other countries, and I hope that the hon. members will make positive contributions when examining these estimates because, by its nature, my department is involved in the operations of all the other departments. I would like for once to see the Progressive Conservatives stand up and say where they would like us to cut down on our expenses. They always talk in a general way.

The hon. member for York-Simcoe is very good at that.

Some hon. Members: Yes.

Mr. Chrétien: No. We hope that he will do that; we know that he has great political ambitions, and we hope that some day he will come forward with concrete proposals.

We would like to know what kind of policy could be worked out. It is quite easy to criticize all the time. I was so critical when I was young that my friends in my riding are surprised that I am sitting on the government side, but I learned to be responsible and to face the facts. The member for York-Simcoe is supposed to have been very successful then, but some people will disagree with that. I am thinking of the Western Bank for instance, and maybe of other well-known activities. We would like to hear him some day tell us what he would do if he were to take my place, we do not want to repeat the disasters we have seen in the past, and we would like to hear logical and concrete suggestions. At least, the previous financial critic for his party tried from time to time to propose concrete proposals as a price and wages freeze; we did not agree with that but it was a concrete proposal. We knew then what it was and the proposal was discussed during the election campaign and the people reacted accordingly.

The Canadian people read his speeches, they voted on the basis of his speeches on July 8th, and the results are known. We have read all his speeches.

● (1220)

[*English*]

We made sure the people were aware of their speeches. A year ago smiles were on their faces, but on July 8 last year we saw their long faces because we went to the people of Canada and we won. Hon. members opposite begin to realize that they made a mistake in calling these estimates today. They thought it a great scheme when they developed this new technique, but we will use it to put our case to the people of Canada.

Mr. Woolliams: I rise on a point of order, Mr. Chairman. Would the minister try to stay with the facts? The procedure we have now is not new; it is almost as old as parliament. We lost the old rules by closure imposed by this government, but the minister's memory is so short

that I thought I had better remind him before he got himself in trouble.

Mr. Chrétien: Mr. Chairman, I feel very humble when I receive advice from the hon. member. I am glad he has given me the opportunity, but perhaps I should sit down if he is hurt too much.

Mr. Woolliams: It doesn't bother me; I just turn up my collar and let the blizzard blow.

Mr. Clark (Rocky Mountain): We will remember this speech on budget night.

Mr. Chrétien: I think I will sit down now. I welcome—

Some hon. Members: Hear, hear!

Mr. Chrétien: I can tell the hon. member for Edmonton Centre that I will be here at five o'clock. I have the right to reply to everyone, and I will enjoy that time. I am not going into a back-room; I will hear the questions and reply to them. I hope I will be invited again, because I enjoy these occasions.

Mr. Stevens: Mr. Chairman, I wish the President of the Treasury Board had explained, in the 20 minutes allotted to him, some of the inconsistencies in the estimates now before us, not only within his department but in other departments of which he has over-all control. Instead, we have been subjected to some type of verbal biomass.

I believe that the essence of committee of the whole procedure is to get the facts. I notice that the minister adopted the trick of the government in talking about other jurisdictions and stating that somehow there are other countries that are doing even worse than we are. This is not in accordance with the facts. I think we should get that on the record at the beginning of this debate.

I find it very interesting that the Prime Minister and the Minister of Finance have suddenly discovered that somehow the average worker in Canada is losing his productivity in relation to the United States. They must have known this at least a year ago, but they failed to reveal it to the Canadian public. The April 19, 1975, monthly economic letter put out by the First National City Bank of New York compared the competitive position of various countries with that of the United States. I think this government has a tremendous amount to answer for. The comparison shows that in 1965 the unit labour cost of Canadian production in relation to the United States was 85 per cent, and by 1970 it was still 85 per cent. That is when the Minister of Finance and his predecessor, and the President of the Treasury Board and his predecessor, started to tamper with things.

We find that by 1973 the productivity percentage had risen, in terms of Canadian productivity to that of the United States, to 96 per cent. Did any minister at that time point out that we were losing our productivity in relation to the United States? No, Mr. Chairman. At the end of 1974 our productivity was up to 99 per cent of that of the United States. That is one of the things the government should be more candid about with the Canadian people.

Look at it another way. How often have we heard people boast that we are the second wealthiest nation in the world. Actually, we are no longer the second wealthiest nation, per capita: we now rank sixth, behind such countries as Switzerland, Sweden, Denmark, the United States and Kuwait. The last named country jumped ahead, of course, because of its huge oil revenues. Canada has slipped, largely because there has been too much public sector interference with the private sector. There has been too much government and too much Treasury Board spending in the past.

● (1230)

The minister said he looks forward to answering each participant in the debate. I hope he is making notes because I want him to answer some questions. For example, why did estimates of $22.4 billion in 1973 jump to $28.7 billion in 1974? That represents a spending increase of $6.3 billion. The minister admits that this is so and suggests he will try to do better next year. By that, the minister means that our annual increase in spending will not be 25 per cent but 16 per cent. If all federal government spending in the first 77 years after Confederation, from 1867 to 1944, were added together—and bear in mind that spending in two world wars must be included—the total would be $27.8 billion, which is less than the federal government spent in 1974 alone.

Mr. Blais: What does that mean?

Mr. Gillies: You don't know?

Mr. Stevens: How typical of a government supporter to ask what that means. At one time governments were concerned even about $1 million; now the government appears to be unconcerned about the spending of $28 billion and more.

Mr. Gillies: It's just the taxpayers' money; that's all.

Mr. Stevens: Let me put the figures in perspective. Federal government expenditures for 1974 were twice the size of expenditures for 1969, three times the size of 1961 expenditures, and more than 12 times the size of 1950 expenditures. If expenditures continue increasing at the rate they increased between 1973 and 1974, they will double in less than three years. I suggest that members of the House ought to be concerned because government spending is out of control.

Mr. Gillies: Hear, hear!

Mr. Stevens: Since 1968, that unfortunate year when the Prime Minister took power, federal government expenditures have increased by 134.8 per cent, but the average weekly wage has gone up barely 100 per cent. As you know, the federal government in 1974 spent $28.7 billion. Let me bring that spending into perspective. This represents daily spending of $78.7 million, hourly spending of $3.3 million and, taking it down to the minute, $54,600 every minute. That is how fast the government spends the taxpayers' money. If you want to know why, consider the number of civil servants employed. The President of the Treasury Board has the nerve to say that he is doing a

good job containing the numbers employed in the civil service.

Mr. Woolliams: He said he is just learning.

Mr. Stevens: I wish he would learn a little better, because despite the computer age in which we live we employ proportionately more civil servants today than ever before in our history. In the last four years the increase has been significant. There was one civil servant employed in 1970 for every 78 Canadians; in 1974 there was one civil servant for every 67 Canadians.

The great advantage of committee of the whole procedure is that it gives us the opportunity to question the minister on various aspects of his estimates. I hope government supporters will not start their sandbagging tactics, as they often do in standing committees, as I think it is in the public interest that the minister should be asked questions directly. Hopefully, he will give direct answers. The minister said that he hopes to contain spending this year to a 16 per cent increase. What are his intentions for future years? Is spending to increase next year by 14 per cent, 12 per cent, or 10 per cent? In short, will he adhere to guidelines the government is asking others in the economy to follow?

Mr. Nowlan: He is going to use his Ouija board.

Mr. Stevens: If the government is allowed to increase spending by even 16 per cent per year, cumulative government spending will increase by 110 per cent in five years. An increase of 16 per cent is extravagant. Therefore, when the government says it hopes to hold its spending to about 16 per cent more, that is totally unacceptable.

Mr. Gillies: Especially when the gross national product goes up only 3 per cent.

Mr. Stevens: As the minister keeps talking about restraint, I think he should explain why it is necessary for his department to be housed in such luxurious quarters in Place Bell Canada. I think all members of the House should look at those quarters, and the conditions under which the minister and his staff are working. They will see palm trees, Australian umbrella tree—

Mr. Nowlan: Swimming pools.

Mr. Stevens: —split-leaf philodendrons, and all the rest of it. I think they will agree that the quarters are lavish.

An hon. Member: Beyond extravagance.

Mr. Stevens: The Treasury Board is operating in quarters which would do justice to a tropical botanical garden.

Mr. Nowlan: It is a lotus land.

Mr. Stevens: Take a look at it: it is a paradise.

Mr. Fleming: But not compared with some of the homes in your riding.

Some hon. Members: Oh, oh!

Mr. Stevens: In the standing committee I tried to obtain details as to what the department is paying for these luxurious quarters. What is the rent per square foot? What did all the tapestries, beautiful shrubs, desks and other luxurious appointments cost? This is one of the most luxurious suites one can see in Ottawa.

An hon. Member: If not in Canada.

Mr. Stevens: I was told that information would be supplied, but so far it has not been and I trust the minister will supply it without further delay.

Mr. Chrétien: Mr. Chairman, I can give the hon. member that information right away. Treasury Board has 220,000 square feet on five floors in Place Bell Canada. The rent was negotiated by DPW at $5.97 per square foot.

An hon. Member: And how many palm trees and split-leaf philodendrons are there?

Mr. Stevens: Mr. Chairman, that is precisely the point I was making. The department is renting 220,000 square feet at more than $5 per square foot. Why, that is the equivalent of almost four acres of land at more than $5 per square foot. If you add what the Department of Finance has in the same luxurious building, you find they have almost ten acres of space that they are renting at approximately $5 per square foot.

● (1240)

Mr. Paproski: That is shameful.

Mr. Stevens: My colleagues tell me it is almost five acres of space that they are renting. Let me put it in another context. Five dollars per square foot, times 220,000 means $1,100,000 for rental space alone.

Some hon. Members: Shame!

Mr. Stevens: It costs almost $100,000 a month to house the minister and his entourage—and this is the minister who has the nerve to talk to Canadians about restraint.

Some hon. Members: Hear, hear!

Mr. Stevens: If the minister wants to give us some information, he can tell us the price of some of the furniture in his palatial offices. What did it cost for the wall-hangings, plants and the botanical niceties he apparently feels is necessary?

Mr. Chrétien: Mr. Chairman, I rise on a question of privilege. The President of the Treasury Board has not bought one chair since taking over these offices for the department.

Some hon. Members: Hear, hear!

Mr. Stevens: Did you ever see such irresponsibility on the part of the government?

Mr. Chrétien: The hon. member was not telling the truth.

Mr. Stevens: Here we have the minister, sitting four seats away from his predecessor, and he has the nerve to suggest that whatever furnishings he is enjoying at the present time have nothing to do with him. We are talking

about the fact that the government has housed the Treasury Board in extremely extravagant space and then turns around and tells the civil servants, wage earners and taxpayers of this nation to use restraint. In the standing committee I asked the minister to supply us with the cost of furnishings, carpets and all the rest of it for the 220,000 square feet being rented in Place Bell Canada. What did it cost to furnish those five acres of palatial quarters?

Mr. Chrétien: Mr. Chairman.

The Deputy Chairman: Order, please. The hon. member will be allowed to put his questions, and the minister will have an opportunity to respond. This will facilitate the procedure.

Mr. Chrétien: Mr. Chairman, I rise on a question of privilege. The hon. member can ask questions and I will reply. However, he cannot say that I have not given a reply. The hon. member has not done his homework. It was replied to in the House of Commons on May 7, 1973, as reported at page 3460 of *Hansard*. Because the hon. member has not done his homework, we will have to table it again and again.

The Deputy Chairman: Order, please. The minister is entering into debate. In order to facilitate the proceedings in committee, the hon. member for York-Simcoe will put his questions. When the hon. member's time expires, the minister will have an opportunity to answer all or any of the questions that have been put.

Mr. Stevens: Speaking about doing homework, I remind the minister that in the Standing Committee on Miscellaneous Estimates on April 28 of this year I put the following question to him:

> Could you also give us the cost of furnishing your quarters down there?

The minister replied:

> Yes. We can provide that to you. I do not know how much—

I simply ask why the minister cannot give us the information that he agreed to give us on April 28, 1975. I am not talking about 1973.

Mr. Chrétien: Mr. Chairman, with the indulgence of the committee I would like to reply to this question.

The Deputy Chairman: Order, please.

Mr. Chrétien: The hon. member asked me for a—

The Deputy Chairman: Order, please. The Chair has ruled on the procedure to be followed in committee of the whole. The questions will be put, and they can be answered following the time that has been allotted to the hon. member.

Mr. Stevens: To be explicit, Mr. Chairman, I have referred to the 16 per cent target the minister feels they hope to restrain themselves to within the current year. In answering the points I have raised, I would like the minister to specifically indicate the following. First, does he believe that the 16 per cent will be attained in the current year? Second, what does he see for each of the subsequent years 1977, 1978, 1979 and 1980? If this government is going to attempt to work out a consensus arrangement with other sectors of the economy, surely they have to state at what level they are willing to restrain government spending.

The document that was tabled yesterday was very clear. As far as labour is concerned, they are spelling it out. They believe labour must systematically cut their increases to roughly 8 per cent per annum. Does the President of the Treasury Board have a similar program to ensure that government spending will fall by a certain percentage each year over the next five years, assuming that this restraint program comes into position?

We should also have an indication from the President of the Treasury Board as to the mechanics within the department while working out the spending programs of government. I understand that at the present time they are considering the 1977 estimates. Certain submissions have been made to the department. I believe the minister should outline the significance of budget A and budget B which are submitted in that process.

He should also indicate to what extent he has been overruled by his cabinet colleagues. For example, is it true that the family allowance program that was advanced by the Minister of National Health and Welfare did not go through Treasury Board until after it was agreed to by the cabinet? The President of the Treasury Board should indicate whether the spending program that has been announced by his colleague, the Minister of National Health and Welfare, has been approved by Treasury Board; or is this, again, a proposed spending of $1 billion that has been cleared by cabinet with Treasury Board being told after the fact?

Does the minister believe that the amount in the current estimates is appropriate to cover the shortfall in the unemployment insurance fund this year? Also, to what extent do they have spot audits? To what extent do they examine the month by month spending programs within the various government departments? More important still is the need for a thorough review of some of the consulting contracts which have been let by the government. We have to know why there appear to be such inconsistencies in the contracts themselves. I should like to hear more concerning the tests applied to determine the productivity and efficiency of civil servants. This subject has been raised by some of the minister's own backbenchers. How do ministers judge whether a department is functioning efficiently or not?

● (1250)

Again, here is a government which is talking restraint to the labour community; talking in terms of a 12 per cent increase. What are the government's own guidelines with respect to the wage structure of its civil servants? Are settlements being reached within this range at the present time? We understand they are not. I should also like to know what percentage of the total gross national product the minister feels is a desirable percentage for the government to take. In the last ten years or so the government take, at all levels, has risen from some 30 per cent to around 40 per cent. Does the minister feel that this is an objectionable trend and one which should be reversed?

Will the minister explain why salary levels within government are dramatically higher than those of similar civil servants in the United States? I should like him to tell us what role he has played in the consensus discussions which have been taking place.

I have many questions I want to put to him.

Mr. Caccia: You have just revealed your ignorance. Carry on.

Mr. Paproski: Was that Caccia?

Mr. Woolliams: The great brain of the Liberal Party.

Mr. Paproski: Speak up, great wise one from Toronto.

Mr. Caccia: I don't pretend to be a financial critic, you know.

Mr. Woolliams: That is obvious from your remark.

Mr. Stevens: If the hon. member would like me to continue by asking a few more questions, I will be pleased to do so.

Mr. Chrétien: Go ahead, because they are not that dangerous.

Mr. Stevens: I should like the minister to tell us what is the current debt level in Canada. He should explain why it has been felt necessary to increase it from about $33 billion at the time the present government took office to almost $60 billion today. This is a sensational increase. The minister should tell us whether he anticipated it will continue to increase or whether the cabinet intends to ensure that the liabilities of the government shall not continue to increase at such an alarming rate.

Mr. Woolliams: What is the interest rate on that?

Mr. Stevens: My hon. friend has asked, what is the cost of this debt? Not only has the debt risen by almost 100 per cent, but interest rates have risen dramatically. We should be told, too, why the government has allowed such a high proportion of this debt to get into short-term securities and Canada Savings Bonds which are cashable on demand. This lack of foresight cost the Canadian public millions of dollars in the recent conversion of Canada Savings Bonds.

The minister should also indicate why he feels it was justifiable to increase the financing of Crown corporations from about $8 billion in 1968 to more than $16 billion at the present time. The government is now proposing to incorporate a new Crown corporation, Petro-Canada. It wants to reach into the public pocket for another $1.5 billion to finance that fantasy.

Mr. Woolliams: More jobs for Grits.

Mr. Stevens: I believe the minister should tell the Canadian public what the forecasts are for the coming years. We are not asking for anything unusual. Most democracies in the world furnish such figures as a matter of course. In the United States they even forecast the output for 1979 in the budgetary papers; they show, year by year, what they anticipate will be the spending program of the government. But this government likes to dwell in secrecy. It refuses to level with the Canadian public. It is the only government of a democratic country which will not reveal its forecasts of inflation, which will not reveal its production forecasts, which will not reveal its forecasts of unemployment.

Mr. Paproski: They do not know.

Mr. Stevens: Perhaps that is true. The fact is, we have a government which seems to be feeling its way by touch; one which refuses to come up with a well thought-out program capable of being justified to the public. Again, I hope the minister is making a note of some of these points. I believe he should indicate what percentage of the budget is controllable at the present time. As the figures are developing, not only is the budget skyrocketing but the percentage which is becoming uncontrollable is increasing even faster.

Mr. Chairman, perhaps I may continue after the recess.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Acting Chairman (Mr. McCleave): Order, please. The committee will continue consideration of vote No. 1 of Treasury Board. The hon. member for York-Simcoe had the floor when the committee rose for lunch, and he has three minutes remaining in his contribution.

Mr. Stevens: Mr. Chairman, in summing up, may I say I hope the minister will attempt to answer some of the questions I have put to him, as soon as I have finished my remarks. We believe that we need more than a token President of the Treasury Board in this country. If you link the President of the Treasury Board with the attitude displayed by the Minister of Finance, who claims that political expediency today must take precedence over economic reality, you have a bad combination. The fact is that these two ministers, who should in any cabinet be the watchdogs of the treasury and should insist that their colleagues restrain their spending, are not performing their job. This is why we have such high spending in this country and it is the reason the Canadian public is skeptical about any talk of consensus so far as restraint and an anti-inflation program is concerned. We have a government which, due to the increase in the money supply and their own spending habits, have contributed more to inflation than any other single force in the country.

Having said that, I hope the minister can start answering some of the questions we have put. Let us hear, for example, what it has cost the Canadian taxpayer to supply the lavish surroundings that this minister and his predecessor have enjoyed in Place Bell Canada. Let that be put on the record so we can hear specifically what some of the tapestries, rugs and other fancy plants down there have cost the country.

I should also like to hear, early in his remarks, to what extent the government is committed to a more restrained

spending program. They have said it will be 16 per cent this year. But what about 1977 up until 1980? Can we anticipate the government dropping two or three percentage points in their spending spree in each of those years, just as they are asking other sectors of the economy to do under the consensus policy? In short, we need a few answers and I hope we will get them this afternoon.

Mr. Chrétien: Mr. Chairman, I think I should reply to some of the questions asked by the hon. member, because if I do not do so right away, he will be inclined to say that I do not want to reply. I was ready to reply right after he had asked his questions. I have already answered him about the square footage; $5.97 is competitive with other buildings in Ottawa. We have 220,000 square feet for the whole department. The hon. member was speaking about the business of the nation and he commented on the size of the offices in our department. Does he know that members of the department are forced to work in open spaces? Some people who make up to $30,000 a year do not even have a door to close, because we cannot afford it.

Mr. Stevens: Are you saying they are in the street?

Mr. Chrétien: No; they work in open spaces. We have to make it a little more agreeable for them, so of course we have a few plants here and there. The hon. member asks about how much money we have spent, but he does not ask how much money we have saved on that sort of thing. However, I am not going into that kind of nonsense because I think the people want us to be serious around here.

● (1410)

It was a great spectacle this morning when the hon. member asked all those questions and referred to the kind of government we had in 1867. He was 100 years late. We are talking about modern governments today. He compared the level of expenditures in 1867 to today. It is like comparing one banana with a crop of bananas. It is not the same ball game. He should be serious.

Mr. Stevens: Will you reply?

Mr. Chrétien: Yes, I will reply. He asks what the expenditures increases are from year to year. We have put $1.3 billion into oil compensation for the eastern consumers—Ontario, Quebec and the maritimes. He voted for that. His party voted for it. Everyone in the House agreed, and today he is sanctimonious about the cost of it. They all voted for the items.

Then we have the matter of equalization payments. This was one of the issues in Canada. A former premier of Nova Scotia, the present leader of opposition, asked for this. The hon. member is repudiating his leader. What kind of a party is it when they speak against each other like that? Of course there has been an increase in the public debt and we must pay it. With the kind of friends the hon. member has, if we do not pay our interest he will be the first to get up to complain. So we put $650 million into debt payments. What about health services? We had to put $678 million on top of the expenditures of the previous year for health services. This is to pay the nurses, for example. The members of the hon. member's party were on

their feet in the House this morning asking us to give more to the nurses.

Mr. Baker (Grenville-Carleton): We just want to get them back to work.

An hon. Member: Give them equality.

Mr. Chrétien: Equality among nurses in the same province?

Mr. McGrath: No, across the country.

Mr. Chrétien: What about the Tory minister of finance of the province of New Brunswick, who the other day told me that I was paying the civil servants too much and that the provincial civil servants wanted to join the federal government?

An hon. Member: Shame!

Mr. Chrétien: I am not ashamed. The policy of the government is to be fair and to give its employees good salaries that are comparable with those of their competitors. We must have an overview of the situation. The kind of questions put to me by the hon. member for York-Simcoe are a good example of the reason the people do not vote for members of his party. They vote for something such as an increase in family allowances, but when the bill comes, they complain about the money being spent. They cannot have it both ways.

If you have any guts, you should vote against something if you do not want to pay the bill. If I vote for something, I know I must pay for it. The hon. member complains about the increase in the expenditures of the federal government. Of course there was an increase over the years, but there was a greater increase in the provincial field.

Mr. Stevens: Not last year.

Mr. Chrétien: Yes. On top of this, most of the increases in our expenditures last year were in the form of support payments either to individuals within the provinces or to provincial governments. This is not money we spend for fun. We are trying to redistribute the wealth of this country. From 1969 to 1974, the increase in federal expenditures was 110 per cent. For the same five years, the increase in the provincial field in respect of expenditures has been not 110 per cent but, rather, 139 per cent, or 29 per cent more than that of the federal government. The same story is true of the good province of Ontario which has had a Tory administration since eternity.

Mr. Baker (Grenville-Carleton): And will continue to have.

An hon. Member: Until the election.

Mr. Chrétien: We will have the answer soon. They are in trouble down there.

The kind of argument the hon. member put to us is almost unbelievable. He compared the wealth of Canada, for example, with the wealth of Kuwait. This is stretching the argument a little. The situation there is very unusual. They are taking a lot of wealth from the ground and selling it in the world markets. It is an abnormal situation

because of the increase in the price of oil around the world. They became rich quickly. We are not dealing with the same kind of situation. In fact, they do not know what to do with the money they have.

An hon. Member: Neither do you.

Mr. Stevens: On a point of order, Mr. Chairman; if the minister wishes to deal with the subject he is now on, I should like to hear his comments on the per capita situation in Sweden, Switzerland, Denmark and the United States. We once were number two in the world and were trying to be number one: under this government we have slipped to number six.

The Acting Chairman (Mr. McCleave): That is not a point of order. The President of the Treasury Board.

Mr. Chrétien: Anyway, Mr. Chairman, I think most of our expenditures have increased.

An hon. Member: What about Switzerland?

Mr. Chrétien: I follow the rules of the House, and the very able Chairman said this is out of order. For example, there has been an increase in expenditures because of the increase in the old age pensions. We have indexed the old age pensions. We have increased the amount of money we give to our older people.

The people who earn $25,000 working in the Treasury Board are working in open spaces without even doors to close. They should complain to me that I do not treat them well.

Mr. Stevens: What was the cost of furnishing those offices?

Mr. Chrétien: I gave you the price per square foot.

Mr. Stevens: What did it cost to furnish the offices?

Mr. Chrétien: We can provide the information for the table. I cannot give it to you now. We are always faced with the same problems. The hon. member should get serious. He speaks about office furniture when he should be talking about the problems of the nation. We want the House to tell us what to do. Members opposite ask questions but never give answers. They vote for increased expenses and then complain. This is why the people do not believe them.

I think it is true that the federal government and provincial governments are spending more than before, but we have a better quality of life in Canada than in most countries.

Some hon. Members: Hear, hear!

Mr. Stevens: No, we are number six.

Mr. Chrétien: I would prefer to have the view of the New Democratic Party.

An hon. Member: That, I can believe.

• (1420)

Mr. Chrétien: Because they are like us. As Mr. St. Laurent said, the only difference is that they are in too much of a hurry; that is the only difference. Hon. members opposite are living in the past. I want a modern society, and when you have a modern society you have family allowances, old age pensions and all the programs that the federal government has to offer. We equalize revenues across the land. But what I cannot stand and what the Canadian people cannot stand is hon. members opposite saying that they support a program and then not wanting to pay for it. When I go to a restaurant and they present me with the bill, I pay it; I do not quarrel with it. I do not want to have a free meal; I pay my way. We have decided to have a society in Canada that will be an example to the modern world, and that is why expenses are increasing.

Mr. Stevens: What about the furniture?

Mr. O'Sullivan: Do you call in a consultant to read the menu?

Mr. Chrétien: I am desperate when I see the hon. member with the ambition to become leader of his party. Is it the kind of leadership the country needs today? Is it the kind of leadership that Canada must have? I am sorry, because I had hopes that some day I would have the chance to be on the other side.

Some hon. Members: Hear, hear!

Mr. Chrétien: I would love that, but I have to be responsible. I cannot take the chance, for the good of the nation.

Some hon. Members: Hear, hear!

Mr. Chrétien: So I have to stay here. The people of Canada agree that is good.

Mr. Stevens: What about the furniture?

Mr. Chrétien: I gave the information on the furniture. You will have it, Mr. Chairman, on the table on Monday; and the hon. member for York-Simcoe will get the colour of the furniture and if it is in leather—

An hon. Member: Or suede.

Mr. Chrétien: —or some other material, and he can play with all the chairs he wants for the next 20 years. However, something is certain: that after that speech the people of Canada will never give him anything else to administer but a few chairs.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it is one of the traditions of this place that we always have a good time on Friday. Today seems to be no exception and I do not quarrel with it, but at the risk of sounding like a long-faced, serious person—

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): We would never accuse you of that.

Mr. Knowles (Winnipeg North Centre): —I would like to make the point that we are dealing with one of the most important portfolios in the federal government. The Treasury Board is responsible for not just the $335 million listed in its own estimates; it is, in effect, responsible for the whole book because the estimates of all departments have to receive the approval of the Treasury Board.

In the process of doing its job, I suggest that the Treasury Board has an influence far beyond government itself. It has a commanding influence on the very make-up of Canadian society. I break this down, for the purpose of this short speech, to three headings: the Treasury Board is responsible for the spending policy of the federal government, it is also responsible for the wages and incomes policy of the federal government, and it is responsible for policies relating to pensions and other social benefits.

To the extent that the Treasury Board sets standards in these three areas—how we spend our money, what our incomes are, and what our pensions and other social benefits are—we are into the very heart of Canadian society itself, and I hope that for at least some of the afternoon the discussion will be on these serious matters rather than on the question of whether certain office chairs are covered with leather or suede.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I always enjoy listening to the President of the Treasury Board. I enjoyed meeting him when he first came here a dozen years ago. He was not quite the orator he is now, and, he did not know a word of English. Just listen to him now! He has come a long way.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): He likes to say that the Tories across from him claim that he is spending too much money, while we down here in the NDP corner want to spend more. So he feels very comfortable being in the middle. May I point out to him that it is true that we criticize the Progressive Conservatives for having only one notion, namely, to cut down expenditure, but we do not—

Mr. Paproski: That is not true.

Mr. Woolliams: That is not right.

Mr. Knowles (Winnipeg North Centre): Hon. members have had all the morning and they will have the rest of the afternoon. Let me have my 20 minutes. We are not just advocating the expenditure of more money; we are advocating proper priorities in government spending. We do not want to see money wasted on frills and non-essentials. We do not want to see our society given the kind of direction that results in overcapitalization in terms of filling stations, office buildings and an undersupply of homes, health services and the other things that our people need. Therefore, I say we are deeply concerned about the activities of this department because it not only determines how government money will be spent, but it sets the pattern for the spending of Canadians generally; and I argue very strongly that the kind of society we will have in the years immediately ahead and in the distant future depends on the kind of priorities that this department establishes.

I urge very strongly, therefore, that the Treasury Board think in these terms and realize that there is a point to our claim that the first charges on public money should be for the health, wellbeing and housing of our people; that public money should be spent to provide the jobs and services necessary to improve the quality of life in Canada.

So I say, let us not spend all afternoon on the question of whether so many dollars were spent on a particular office here or somewhere else. Let us have some discussion about priorities in our spending, knowing that in so doing we are determining the kind of Canada that we will have in the years that lie ahead. The President of the Treasury Board, a few weeks ago in the course of one of the labour disputes that was taking place, made the remark that he did not want the federal government to be a pace-setter. I suggest to him that, whether or not he wants the government to be a pace-setter, that is precisely what it is. The percentage of people who work for the federal government or Crown agencies is much higher than it used to be. This is the direction that we have pushed for, and we welcome it. The government is involved in so many of the activities of our country that the standards the government sets determine to a very large extent the standard of life—indeed, the quality of life—in Canada. So I say the priorities the Treasury Board establishes for the total expenditures of the government give a lead to the priorities of spending in Canada as a whole; and that makes our function at this moment terribly important .

● (1430)

The second heading I gave a few moments ago was wages and incomes policy. The Minister of Finance does a lot of talking about what wages should be paid and he talks about restraint on everybody except, of course, ourselves. But it is the President of the Treasury Board who, in very practical terms, has the final say about the wages and incomes of many thousands of persons, those in the employ of the federal government and, in turn, Crown corporations, and so on. I welcome the fact that we have established collective bargaining; and for all the aches and pains there may be in the process, it is alive and well and I hope it is here to stay. But there is one idea the government ought to start putting on the table when it comes to collective bargaining and I hope the President of the Treasury Board will take this to heart. I suggest that one of the reasons we are having so much trouble in the wages and incomes field in Canada is the growing spread between the incomes of those in lower brackets and those in upper brackets. I suggest that one of the myths we continue to subscribe to at the bargaining table is the myth of percentage increases. It sounds fine and plausible to say we should give a 10 per cent increase, but 10 per cent of $10,000 is $1,000 and 10 per cent of $40,000 is $4,000.

Some hon. Members: Hear, hear!

Mr. O'Sullivan: Very good.

Mr. Knowles (Winnipeg North Centre): My hon. friends approve of my arithmetic, but I suggest that this is not a laughing matter. This is one of the things happening in our day. We are assuming that to raise wages on a percentage basis, is the thing to do but the result is that we are getting increasingly wide discrepancies and when people in the middle or lower income groups see people in the upper income groups going higher and higher into the stratosphere, they want more, too—and that is the picture we have.

An hon. Member: Tell that to the unions.

Mr. Knowles (Winnipeg North Centre): I am telling it to members of parliament. This House gave a lead to this country. Hon. members wanted a 50 per cent increase but toned it down to 33⅓ per cent with 7 per cent escalation compounded on an annual basis. I suggest that if we want to give some leadership, it should start here. We made that decision or, rather, parliament made that decision. Some of us were strongly opposed to it, but I suggest to the President of the Treasury Board that in wage talks going on with those involved in collective bargaining and in the adjustments which are made in the upper reaches of the public service, it is time to start talking increases which are in lower percentages for those in the upper brackets but not for those in the lower brackets.

I do not know what will happen in terms of salaries for those at the top level, the deputy ministers, assistant deputy ministers and assistants to assistant deputy ministers—those in the $30,000, $40,000 and $50,000 bracket. I believe there is some kind of study being made about them and no doubt a report will be made discussing what has happened in the private sector, and so on, and setting it all out in percentage terms, and we are likely to receive another of those recommendations. Such a recommendation will do just as much damage to the wage situation in this country as has been done in this place and over in the Senate as well.

When one talks about the cost of living having gone up and the need for people to be compensated with higher wages to meet the rise in the cost of living, I suggest that that percentage increase should apply only to that portion of one's income which is actually spent meeting the cost of living, but because persons have enough to cover the cost of living and then more for luxuries is no reason why the percentage increase should apply both to the basic part and to that which is gravy on the top.

I make this speech on this occasion because although the President of the Treasury Board may not set all the wages in Canada, he has much to do, even in the collective bargaining process, with the wage levels in the public service, those which come under collective bargaining, and perhaps even still more to do with the wages and salaries of those in higher brackets who receive more. The strong plea I make to him is that he not live for ever by the myth that percentage increases solve the problem. Percentage increases are fine for those in the lower or middle-income brackets, but the same percentage increases given to those in the upper brackets simply cause more trouble.

Mr. Jamieson: Is the union movement agreeable to that?

Mr. Knowles (Winnipeg North Centre): My hon. friend asks a very good question. He wants to know whether the union movement is agreeable to that. There is real trouble in the union movement over that; I do not deny that for one moment. Those higher up still want to receive just the same percentage as those lower down. But someone has to give the lead somewhere. If my idea is sound, and there are many people in the union movement who agree with it, I think someone has to give a lead to it somewhere and I am hoping that the President of the Treasury Board will try to give that lead.

Mr. McRae: Explain your split-level cost of living percentages to some and not to others.

Mr. Knowles (Winnipeg North Centre): If my hon. friend is asking that I set a figure, I think by doing that I would simply start an argument over such a figure, and I do not feel like doing that. I want to stick to the principles.

Mr. McRae: Explain how it would work.

Mr. Knowles (Winnipeg North Centre): I think that if there has been an increase in the cost of living of, say, 10 per cent, wage increases should be 10 per cent of that portion or up to that level which is regarded as covering a standard, basic cost of living. For incomes above that point, the increase should be less than 10 per cent. Where incomes are way up, there should be none at all.

Mr. Railton: About 7 per cent?

Mr. Knowles (Winnipeg North Centre): My hon. friend had better just sit in his seat and keep quiet. That 7 per cent we are to get is compounded on top of 33⅓ per cent, so that by the end of this parliament we will be getting an increase of 62 or 63 per cent. If my hon. friends want to continue debating the pay increase, they can take me on any day they want.

Mr. Baker (Grenville-Carleton): Don't get Stanley ruffled.

Mr. Knowles (Winnipeg North Centre): I will move to the other heading I mentioned, that of pensions and social benefits. One is aware that old age security and other benefits in that area come under the jurisdiction of the Minister of National Health and Welfare, but the President of the Treasury Board is responsible for pension policy as it affects public servants, the armed forces, RCMP personnel, and a whole host of others. We will receive the list in a few days when we deal with Bill C-52. I call upon the minister to straighten out some of the anomalies in that situation, little details such as the fact that armed forces personnel have to wait until age 60 before they get their escalation, and also the fact that the escalations are always behind, as applies in some other cases as well. There is also the need to increase the percentage paid to widows. But I mention this subject now because I think the principle I have suggested regarding wages and salaries will some day also have to apply to pensions.

I take some pride in having fought for about 25 years to have retired civil service pensions escalated. I remember the thrill it was when we finally won and the present

Minister of Public Works stood here one Friday afternoon and announced it, but I am disturbed by the fact that in one respect we won too well. The kind of percentage increase we now have is such that when in January of this year there was a 10 per cent increase in all public service pensions, that meant that the $2,000 people received an increase of $200, but those with $25,000 pensions received a $2,500 increase. I think the principle I have just been enunciating regarding the wages and incomes of our people should apply to pensions. In other words, I am arguing for us in Canada to move more in the direction of an egalitarian society. Perhaps it will take us a while to get there, but at least we can narrow the gap. You do not narrow the gap when you use the percentage formula and keep raising those at the top salary more than those at the bottom. You narrow the gap if you exercise restraint for those higher up and bring the others closer to them.

● (1440)

As I said earlier, I am arguing for this not just because it applies to many thousands in the public service or retired from the public service, but because what the President of the Treasury Board said the other day is the fact: he is a pace-setter. To the extent that we establish these ways of doing things in the public service, we establish them as a whole.

I am prepared to let my case rest at that for the moment. I call upon the House to treat this department as the serious one it is. The estimates of the Treasury Board itself are a little over 1 per cent of the total estimates in the book, but the Treasury Board approves all the estimates in the book and so is largely responsible for the social direction established in this country. I hope the President of the Treasury Board will pay some attention to the ideas I have submitted this afternoon.

Mr. Chrétien: Mr. Chairman, I should like to reply to the two points that the hon. member has raised. I must congratulate him on the level of his participation; he is much less concerned with the quality of furniture than with people. The hon. member spoke about wages and incomes policies and the influence that the Treasury Board has. I disagree with him, however, when he says that sometimes we become the pace-setter, because I have tried to avoid that. I have said many times that when I resist some demands as President of the Treasury Board, it is not just because it would be too expensive for the federal government to implement them. Of the $32 billion estimates in front of the House today, we spend only 14 per cent on wages, so even if I overspent my budget by 10 per cent it would be only 1.4 per cent of the total expenditure, which would not destroy the whole system.

It would be a very simple solution for me to become a pace-setter and to put pressure on all other levels of public and private administration, but I do not think we should use the federal government for that purpose. We have to maintain high standards and we cannot allow problems to develop that would affect other levels of government and the private sector. Our policy is comparability. We want our people to be as well paid, but not better paid, than other people.

Some hon. members complain to me because in Canada 20 per cent of the federal civil servants are on a regional rate, and other members from places like Vancouver, the Yukon, or Seven Islands complain about the national rates because the cost of living is higher there. We try to pay blue collar workers, who are not too mobile, a rate comparable to that paid to the same type of worker in the same town because we feel we should not put a burden on the local economy by paying higher than our competitors in the same labour pool.

[Mr. Knowles (Winnipeg North Centre).]

With a national rate, you end up with a situation like the strike of firefighters in Vancouver. They wanted the regional rate because they earn $2,000 a year less than the city of Vancouver firefighters. We wanted to pay them the same as the city, but the national rate did not permit us to do that and the unions do not permit us to do it either. We are negotiating those things with the unions now, winning some arguments and losing some. So, Mr. Chairman, I do not agree with the hon. member that we have to be the pace-setter. I think we should avoid that, but should treat our employees as well as anybody else on a comparable basis.

As far as the spread between the lower and the higher bracket is concerned, I think the hon. member has a good point. We have to avoid speaking in terms of percentage. The hon. member's arithmetic is simple and understandable—10 per cent of 10,000 is 1,000, and 10 per cent of 40,000 is 4,000. We have managed to narrow the gap to some extent in the last five years when we have given 8.7 per cent more to people in the operational, administrative, support and technical categories than for the people at the top level. That means the people who are lower than the SXs receive 8.7 per cent more than the higher echelon. It is not much of a difference, but it is a difference.

The hon. member argues that everyone should earn more or less the same salary, but I do not know any country where everyone is equal. I had a discussion with the ambassador to Canada of one of the socialist countries, and asked him the difference in pay between a minister and a plumber in his country. He said that the minister gets about five times more than the plumber. If a plumber in Canada makes $20,000, then I should be making $100,000, and I am very far away from that. Mr. Chairman, it is just a dream to think of everyone on the same level of pay. That dream has not been realized over the centuries and I do not think we are on the verge of realizing it in Canada or anywhere else.

The hon. member said that the government should intervene in society and try to correct some of the inequities. Just to show the increase in our expenditures, I should like to point out that in 1966-67 the federal government spent a little less than $2 billion on health and welfare; in 1974-75, we will spend more than $7 billion. In eight years, social and welfare expenditure has increased 3½ times. Of course, all members of the House have been associated with that. When I came here in 1963 we did not have things like medicare. Old age pension payments were very low and were not indexed. We had no national hospitalization program, nor were there many of the social benefits which exist today in our society. We have quadrupled family allowances, and I am proud to have been associated with this.

● (1450)

That is the trend, but there is a limit. In our society, there are now fewer inequalities than existed, say, 25 years ago. Today you will see fewer people begging on the sidewalks. We do not see beggars any more and this is the result of legislation which members of this House have supported in the last 10 or 15 years. I think we should keep on this course. I know we cannot do everything in one parliament or in one generation, but I think most hon. members agree that the fabric of our society is stronger now and there is more social equality than there was 25 years ago. Of course, a lot remains to be done. We hope that if the economy grows sufficiently strong, we can do more. But we need time and more growth in our economy if we are to achieve our aims. I hope everyone will get the message and do their best to improve conditions in the land.

Mr. Baker (Grenville-Carleton): Mr. Chairman, when I first listened to the minister this morning I wondered where I was. I have always understood that in committee of the whole ministers make submissions and that estimates are dealt with seriously. I admit that my practical experience is limited, but I have read about this procedure and we dealt with several matters earlier in the session in committee of the whole. Frankly, I was offended by the minister's attitude earlier today.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): He has used this procedure which has been established in other parliaments and which, until 1968, was followed in this parliament for the purpose of getting his message across. The members of the committee and the public want to know, basically, how the government is managing the affairs of this country. As the hon. member for Winnipeg North Centre said, this matter must be treated with seriousness and not in a partisan way.

An hon. Member: Oh, boy!

Mr. Baker (Grenville-Carleton): Earlier today I heard the hon. member for York-Simcoe direct a number of questions to the minister, not one of which, so far as I can remember, has been answered. Those questions dealt with furniture, office space and other matters. They were legitimate questions put to the government on behalf of the people of Canada and they have not been answered. The government should not treat committee of the whole procedure in the way the Prime Minister treats the question period. This is not the place to parry: this is the place where the government is to be held accountable for its spending, for its objectives and for the working of its policies.

An hon. Member: Get to the point.

Mr. Baker (Grenville-Carleton): I will get to it in a minute. The President of the Treasury Board says to those in the opposition who are asking questions, "Tell us what you would do." I say to the President of the Treasury Board, "My God, you won the election"—and I don't begrudge the victory, but in that election the people of Canada placed on the shoulders of the government certain responsibilities. One of them is to account to parliament and the people, and the other is to act.

Mr. Woolliams: And to govern.

Mr. Baker (Grenville-Carleton): The minister spoke about the Canadian people having long faces. You bet they have long faces. We are discussing these estimates in a strange atmosphere, an atmosphere in which unemployment is increasing, inflation is escalating, senior citizens are falling ever further behind, housing starts are down, our balance of payments situation is in trouble and our dollar, according to rumours, may be devalued. The Minister of State responsible for housing cannot meet his optimistic expectations. Further, the optimism of the Minister of Finance of five months ago has evaporated. Yesterday he put on his red tie and grey suit and finally admitted that this country is in trouble.

That is the atmosphere in which we are asking the government to account. The President of the Treasury Board has a responsibility. As the hon. member for Winnipeg North Centre said—I do not always agree with him, but I agree with him on this—the Treasury Board is the heart and soul of the government's operation; its tentacles spread to every department. It has the responsibility to account and to establish priorities. I suggest that there is little evidence of priority planning on the part of that department of government.

More than that, Treasury Board has the responsibility of overseeing government programs. It should not hide expenditures, but disclose them. It should not refuse to give forecasts on unemployment and inflation, but give them to parliament and the Canadian people. That has not happened in this country. If we are to continue in committee of the whole with the kind of charade we witnessed before lunch, I do not hold out much hope for the continuation of this kind of procedure.

I hope that some backbench members on the government side are prepared to ask the kind of questions which we on this side of the House are asking. They, too, are private members and ought to be concerned about the workings of parliament. They, too, ought to be concerned about where this country is going, at what pace and what the benefits are to be. They, too, should ask how the government is to solve this or that problem; what we are to do about housing, for example. They, too, should question the President of the Treasury Board and not try to barrack those who are trying to question the minister in committee.

An hon. Member: Mr. Chairman—

Mr. Baker (Grenville-Carleton): Sit down and go back to sleep. The Treasury Board has the responsibility to oversee the financial operations of this government and to see that rules concerning the spending of money are observed. It must see to it that cabinet ministers follow those rules in their spending. I say that is not happening in this country. It has not happened recently.

I directed a series of questions to the Minister of Labour, in his capacity as minister responsible for multiculturalism, about a certain matter. On December 20, 1974, I asked the minister certain questions about a con-

tract involving the sum of $250,000. The figure is not important; the principle is. I asked the minister why a certain contract had been awarded to Price, Rubin and Partners who are, coincidentally, the former law partners of the Minister of Labour.

Mr. Blais: Mr. Chairman, I rise on a point of order—on two points of order, actually. First, I submit the hon. member for Grenville-Carleton is going beyond the scope of these particular estimates by raising a matter to do with multiculturalism. Second, as the hon. member invited backbenchers of the governing party to pronounce themselves on certain matters, I suggest to him that they have not done so because none of them has been recognized by the Chair.

Some hon. Members: Order!

Mr. Blais: Hon. members here have tried to catch the attention of the Chair.

Mr. Nowlan: That is not a point of order. Pull in your horns.

● (1500)

Mr. Baker (Grenville-Carleton): Dealing with this matter, Mr. Chairman, that firm received three contracts without tenders during the fiscal year 1974-75. There was $170,000 provided to promote the efforts of the Department of the Secretary of State. That submission was signed by the Minister of Labour. There was $75,000 for an ethnic festival in Ottawa.

Mr. Blais: Mr. Chairman—

Mr. Woolliams: Why don't you sit down?

Mr. Blais: Perhaps the hon. member for Calgary North would like to take the chair and rule on this matter. I point out to you, Mr. Chairman, that I raised a point of order, namely, that the hon. member for Grenville-Carleton is attempting to deal with the Department of the Secretary of State. I suggest he ought not be allowed to do that.

The Deputy Chairman: Order, please. If the hon. member will look at vote 1 of the Treasury Board, he will see that the hon. member is in fact in order.

Mr. Baker (Grenville-Carleton): The last one was $250,000 to publicize the aims of several departments and cultural agencies, launched in the winter of 1974. That submission was signed by the Minister of Labour on November 21, 1974.

I am not going to deal with the question of the commission that was received by that particular department because in terms of the amount I understand the commission was reasonable. However, it is a fact that under the rules of the watchdog, Treasury Board, its approval must be sought for all ad expenditures exceeding $10,000 before commitments are made. The fact is the ads in this campaign for a quarter of a million dollars appeared in the papers well before January 16, 1974. This is the information I tried to get from the Minister of Labour without success. I questioned the President of the Treasury Board as well. Treasury Board did not give final approval until January 16, 1975. The Minister of Labour admitted that in a letter he wrote to me on April 9. He said there was a Treasury Board document to cover it dated November 21, 1974, but the fact is the money was spent on this contract well before Treasury Board approval was received. I believe, and will continue to believe unless I am advised to the contrary, that was an attempt to cover up this kind of program which has been going on for a long time.

I am also advised that Mr. Price of Price, Rubin and Partners stated that he was not aware he needed Treasury Board approval before work could proceed. I do not know how he could be unaware of that. I am not going to make any comment with regard to the connections between the Minister of Labour and Mr. Price who heads that department. I have said all I want to say. However, out of this litany of difficulty there are a few questions I want to put to the President of the Treasury Board. This is only exemplary of a number of things that the government has been doing, even if it is well intentioned.

What procedure did the Treasury Board follow when Price, Rubin and Partners, Inc. were recommended for the $250,000 contract? Would the minister explain what procedure is followed by the government which enables individuals or firms to be granted government contracts without tenders being called? Does the minister not agree that the granting of government contracts without tenders being called smacks of political patronage, and that legislation should be introduced to prohibit this from occurring in the future?

Mr. Blais: Mr. Chairman, I rise on a question of privilege. I understand that the order for today is to study votes Nos. 1, 5, 10 and 20 of the Treasury Board. I have looked at those votes. None of them covers any of the matters which have been brought to the attention of the government by the hon. member for Grenville-Carleton.

The Deputy Chairman: Order, please.

Mr. Blais: I am on a question of privilege and I would like to complete my point.

The Deputy Chairman: Order, please. Whether it is on a point of order or a question of privilege, the Chair has ruled on the matter which disturbs the hon. member for Nipissing. To repeat, vote No. 1 concerns those matters which come under the administrative authority of the Treasury Board. This is a broad category dealing with a large number of policy matters under the jurisdiction of the government. The hon. member for Grenville-Carleton is quite in order in his remarks.

Mr. Baker (Grenville-Carleton): Mr. Chairman, I will begin by repeating the question I tried to put before I was interrupted. Does the minister not agree that the granting of government contracts without tenders being called smacks of political patronage, and that legislation should be introduced to prohibit this from occurring in the future? Is that not a reasonable proposition?

Will the minister explain why Price, Rubin and Partners, Inc. proceeded with their multiculturalism campaign before the Treasury Board approved this contract? Is this standard procedure for all government contracts or just

those which are granted without tenders being called? Will the minister explain why Price, Rubin and Partners, Inc. were not informed that they must seek Treasury Board approval before their work could proceed? In light of Mr. Price's statements that he was not aware that he needed Treasury Board approval, is this House to assume that work was started on the two previous contracts before they were approved by the Treasury Board?

I think there is something to be answered for here, and this is only with regard to one minister, albeit in a relatively small monetary area of government expenditures. However, in terms of the principle of accountability and the integrity of Treasury Board, and indeed of the President of the Treasury Board, what discretion do ministers have to spend money? How is it being used? These are legitimate questions to be put to any President of the Treasury Board in the course of this kind of proceeding.

I think the hon. member for Nipissing would be well advised to sit back and listen rather than interrupt on questions of privilege. The answer may well be that there is innocence.

Mr. Gillies: I doubt it.

Mr. Baker (Grenville-Carleton): There may be some who doubt that. I can forgive them if they do. However, regardless of what might be said, I think these questions are legitimate and should be answered.

There is another question I want the President of the Treasury Board to answer. Will he consider, or in fact review all government contracts which the Minister of Labour has approved for similar irregularities and, if they exist, report to this House? I think that is a legitimate request. At the same time, he might ask his brothers in the ministry to do the same. I think this is quite legitimate in view of this kind of matter occurring.

As I understand it, the purpose of committee of the whole is to deal with the whole issue of accountability in parliamentary government. The estimates must be accountable as well. They must stand up to scrutiny. I have been going into this matter. I will mention certain estimates.

● (1510)

It is a fact that the estimates for the official languages branch are down 48 per cent although authorized man-hours, according to the same estimates, are the same. In an age when the government, following its policy, is promoting the use of two official languages, expanding schools and hiring teachers, the estimates of the official languages branch are somehow down. Do you know what this suggests to me, Mr. Chairman? It suggests that if the true cost of the program were known, however well intentioned the expenditure might be, the people of Canada would shake in their beds. I ask the President of the Treasury Board to produce the figures. They are scattered, now, through all the departments. It is important that he should produce them.

The Official Languages Act embodies a principle which was supported by all parties in the House, but there is a difference of opinion as to the manner in which it is being implemented in the public service. Surely, these items should be brought together. How much is this program costing? Are the Canadian people getting dollar value for the tremendous amount being spent?

I ask this question in the light of another revelation. Here is the document which was produced to the Director of Finance and Administration and the Director of Planning and Evaluation by the personnel adviser of a certain department of government. It said:

> For the third consecutive year, the Commissioner of Official Languages has reported to cabinet that in general the public service is not meeting the requirements of the Official Languages Act.
>
> In February of this year, the Prime Minister met with the deputy heads of all government departments and agencies and indicated that the Public Service was not making sufficiently rapid progress toward the attainment of the objective of institutional bilingualism and that the bilingualism process must be accelerated.

What have they done? They have decided that term employees who fill designated bilingual positions for six months or more must be bilingual at the time of selection. Not only is this stupid in terms of policy but it is discriminatory. In effect, it is saying that those who want to work for the government on a term basis in a position which is designated bilingual must be bilingual from the outset. Nobody quarrels with the principle of the Official Languages Act, but it is this kind of nonsense which arouses the ire of Canadians. Indeed, it is this kind of nonsense which prompts me to ask: how much is this program costing? I think this is a legitimate question for one to ask, especially in this committee where the government is supposed to account for such matters.

The minister might not be able to answer all these questions immediately and if that is the case I am prepared to see the answers tabled. Preferably, I should like to have the answers now, because if this procedure in the committee of the whole is to mean anything these are questions to which answers should be forthcoming.

Mr. Chrétien: On a point of order, Mr. Chairman, I cannot reply to the questions at this moment because each time I get up to reply another member of the House is deprived of an opportunity to speak. If my speaking has the effect of depriving another hon. member from asking questions I prefer to remain in my seat.

The Deputy Chairman: The hon. member for Laurier.

Mr. Woolliams: On a point of order, Mr. Chairman, this arises from the position the minister is taking. While the hon. member for Grenville-Carleton was speaking, several meetings were going on across the way. In fact, there was louder talk over there than I could hear from this side of the chamber. Now the minister says he wants to let everybody speak. Mr. Chairman, I saw the Liberal whip going around among the members of his party. They are going to talk, and we shall get no answers. This whole procedure will be a farce unless we can get information.

This morning I reminded hon. members that the opposition had enjoyed certain well established rights, ever since confederation, when it came to voting supply. I might have added that in the old days we would say to a minister, "We are not going to pass your estimates until we get answers to our questions." But under this hanky-panky compromise in which we find ourselves today the minister

can remain silent and hide all the facts from the people of Canada.

Mr. Chrétien: I should like to reply to the hon. member on that point of order. I am sitting in my place as a Minister of the Crown, not as a member of a party, yet the time I take is counted against the party on this side. I should like to give all the answers, but it is unfair that others should lose an opportunity to take part in asking questions. The hon. member for York-Simcoe urged me to reply right away to his questions. I did so, but I realized that the Liberal party would be deprived of time, and I respect the rule of the majority.

Mr. Stevens: The minister's suggestion, if followed, would make these proceedings absolutely worthless. We have sat through debates with the Minister of Finance, for example, when his department was involved. He answered the questions we put to him, and there was no suggestion that somehow he was taking up the time of his hon. friends on that side of the House. I should like to see the minister answer some of the questions we have raised. He said he answered the questions I raised. I put 13 questions to him and he touched on two of them.

Mr. Chrétien: Mr. Chairman, I should like to know from you whether it is true that each time I speak the time allotted to members of the Liberal party is shortened accordingly?

Mr. Baker (Grenville-Carleton): It doesn't really matter whose time the minister uses up. What is important is that the minister answer our questions. How could he possibly say he is not here as a party man. If he is not a Liberal, I have not seen a Liberal. Of course he is here as a party man, but he is also here as a member of the government appearing before the committee of the whole, the rules governing which have been worked out by his own House leader, the House leader of the NDP, myself, and others, because we wanted to see the thing work. The only way that it will work at all is if the minister exercises the responsibility that is his, rises in his place and answers the questions that have been put to him.

● (1520)

Mr. Clark (Rocky Mountain): He has not got the guts.

Mr. Reid: On point of order, Mr. Chairman, something has occurred this afternoon that was not contemplated when these new rules were designed and when they were discussed in committee. Some of us had always had the idea that when a minister rose to answer question put to him in these proceedings this was time that would not come out of the time allotted to the political party the minister represented, because he was answering as a Minister of the Crown. What has happened this afternoon is that members on this side of the House have not had an opportunity to speak because it has been considered by some members of the House that, in speaking, the minister has been a partisan of the Liberal party instead of speaking as a minister of the Crown.

It is clear that something has arisen which had not been contemplated. We do not dispute the right of the Chair to take the attitude it has, and we are not raising a point of order from our side, but there will have to be discussions among the House leaders and others to decide how this procedure is to work. Mr. Speaker has made it clear, time and time again in the question period, that he is recognizing more members on this side than he has before. Therefore, if the Chair takes the attitude that the time taken by the minister is time taken from this side, then we will have to seek an accommodation to satisfy the members on this side, who are also members of parliament and have the right to participate in the proceedings of this House in the same way as any other elected member.

Perhaps the matter could be left where it is now and we will abide by the practice you have followed; but perhaps the committee would give the minister 20 minutes to sum up before the proceedings are concluded this afternoon.

The Deputy Chairman: Order, please. The duty of the Chair is clearly that of balancing the time on both sides of the House. On the point of order that has been raised, members will recognize that time has been taken from the hon. member for Laurier who has been recognized. The hon. member for Laurier has the floor.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, twice you rendered a decision to the effect that when the estimates of the Treasury Board are examined, in view of the objectives set out in the Blue Book, almost any problem could be discussed. I do certainly not wish to—

[*English*]

Mr. Clark (Rocky Mountain): A point of order, Mr. Chairman.

The Deputy Chairman: The hon. member for Rocky Mountain is rising on a point of order.

Mr. Clark (Rocky Mountain): I should like to have clarified, for my benefit and that of other members who want to have this proceeding make some sense and serve some purpose, whether it will be the intention of the minister responsible here, the President of the Treasury Board, to answer the questions put to him by members of the House, or whether he is going to use the lame excuse he just used, as another cover for not providing information to members of parliament. Is he going to get up and answer questions asked by my colleague from Grenville-Carleton, or is he going to continue to hide out?

Mr. Chrétien: Mr. Chairman, this morning I was very keen to get up and reply to the questions. I will take note of the questions, and if the House gives me time at the end I will try to reply. I felt it was a proper procedure to reply now, but in doing so, the rule, as it stands now, was depriving the majority of their time, and I decided I would not get up and deprive the majority of their rights as members of parliament.

The Deputy Chairman: The hon. member for Laurier.

Mr. Clark (Rocky Mountain): In other words, you won't answer. You have absolute contempt for the House.

[*Translation*]

Mr. Leblanc (Laurier): It seems, Mr. Chairman, that the opposition would like to muzzle the Liberals. I do not feel that this procedure is in order in a parliament, and when there is an indication that the Liberals wish to muzzle the opposition, then the members of the opposition grumble. Well I too am also going to grumble, because something had already been agreed upon almost ten minutes ago, and since then I have been interrupted.

[*English*]

Mr. Stevens: A point of order, Mr. Chairman.

The Deputy Chairman: Order. The hon. member for York-Simcoe on a point of order.

Mr. Stevens: The minister made reference to what he understands is some rule governing these proceedings. I should like clarification. Is there any rule such as the minister has referred to, because the committee of the whole proceeding is absolutely useless if what the minister says is true? These government members can sandbag this thing until five o'clock.

Mr. MacEachen: They are members of parliament too.

The Deputy Chairman: There certainly is no such rule as that to which the hon. member for York-Simcoe has referred. There has been a decision from the Chair that it is standard practice in committee of the whole to balance the time on both sides of the House. That the Chair will endeavour to do. If the minister rises to respond he will, of course, be recognized. If he does not rise to respond on this side of the House, then another hon. member will be recognized, which is what has happened at the present time. The hon. member for Laurier has been recognized, and members have been eating into his time on various points of order.

[*Translation*]

● (1530)

Mr. Leblanc (Laurier): Mr. Chairman, I hope that the interruptions I have been submitted to since you recognized me about 15 minutes ago will not be included in the time I was given to speak on the important matter of the Treasury Board's estimates.

As I said earlier, you did make a ruling that, when—

[*English*]

Mr. Paproski: Go ahead and ask some questions.

Mr. Clark (Rocky Mountain): Have you anything to say? If not, sit down because we have.

[*Translation*]

An hon. Member: If you have something to say, say it.

Mr. Leblanc (Laurier): Mr. Chairman, I have a lot to say, but even if there are very few opposition members here this afternoon, I think the matter we are considering is an important one. There are hardly ten of them, so I believe they are not entitled to ask me if I have something to say. They do not seem to have anything to say, except destructive criticisms. The member of the House asked whether I have anything to say. I do have a lot to say and I am going to take all my time to say it. I cannot see why they should continue to interrupt me in such a disgraceful way. But it is a habit that particular member has indulged in for some time and I cannot see where it will lead him. He may believe that his attitude will lead him to the leadership of the Progressive Conservative party, but I do not think it will. I believe that more qualified people might get the job.

Mr. Chairman, I would not like to be interrupted every other minute because I surely will have many difficulties to express what I have to say this afternoon about the Treasury Board.

As I said before I was interrupted many times, a ruling was made and sustained on two or three occasions, that, when one speaks about the objectives of the Treasury Board, one can speak about many matters. I am very glad—

[*English*]

Mr. Clark (Rocky Mountain): Why don't you ask some questions?

Mr. Leblanc (Laurier): If you have something to say I will sit down.

Mr. Clark (Rocky Mountain): I have a number of questions to raise with the President of the Treasury Board. The hon. member has ceded his time to me. I am delighted to have that happen, and I am prepared to put my questions now to the President of the Treasury Board.

The Deputy Chairman: Order, please. The hon. member for Laurier has the floor.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, it shows once more that he will surely not become the leader of the Progressive Conservatives.

As I was saying earlier, you made decisions that I consider very important as I am the chairman of a committee which is, as you know, the miscellaneous estimates committee and this, fortunately or unfortunately for the opposition, since 1968. From time to time, I had to make similar rulings as your own, Mr. Chairman, and the Liberal members of that committee often discussed my rulings on the relevance of the question put to ministers and you can be sure that I shall refer to your ruling when my own decisions will be discussed in committee.

As usual, it is not surprising, the opposition takes advantage—

[*English*]

Mr. Stevens: Mr. Chairman, I must again rise on a point of order because the hon. member referred to the fact that your ruling would be remembered by him when he chairs one of his committees. We must get this proceeding into perspective. What is supposed to be happening today is in our opposition day the estimates have been brought back from a standing committee at which point we hope to have an opportunity to re-examine the situation and receive answers from the minister. In a standing committee there is never any suggestion when a minister is under questioning that his time should come out of the time of the Liberal members on that committee. They receive their

relative pro rata time in the committee. To suggest that every time the minister stands up to answer a question from our side or from the government side the time should come from the Liberal side is totally wrong. I think it is an extremely alarming thing to hear from the chairman of one of the standing committees the suggestion that he will take this type of ruling back to the committee. The fact is that we should have the right to question the minister. Instead of loading the questions as I have to do by asking 13 of them I think he should be allowed to answer each question if we wish. I would ask that this would be reviewed and that we have a meaningful proceeding here. We have less than an hour and a half to go. We have questions we wish the minister to answer and at the present time it is obvious that we are going to be sandbagged up until five o'clock.

Mr. Baker (Grenville-Carleton): I rise on the same point of order, Mr. Chairman. If it is your ruling, and we are bound by that ruling for the balance of the afternoon, then may I say with the greatest respect that I hope you will place on the record that this is at least an experimental project. We are attempting to marry the old opposition day in the traditional sense with the committee of supply day of an even longer tradition. The marrying of this situation may contain some difficulties and there may have to be some discussions. If I may say so I would hope that you would at least indicate that your decision here today ought not to in any way bind the committee forever and that if it is to stand for today, at the very worst it should stand only for today and ought not to go any further.

I say this because there has been an honest attempt—I have said this to the government House leader and have said it on previous occasions—to do something to make this a meaningful procedure. When the hon. member for York-Simcoe stated as he did a few moments ago that the members of this House ought not to be impeded in terms of their time by virtue of an interjection or an answer to a question by the minister I think it is in the mind of every one of us that it should happen in this way and I hope you, Mr. Chairman, will not bind anyone occupying the chair in the sense of giving the hon. member for Laurier any comfort in his suggestion that he could take notice of this in committee as some sort of precedent. I do not think that should be the case.

Mr. Blais: Mr. Chairman, in view of the fact that it was my point of order that initially fuelled this fire I might indicate I would join with the hon. member for Grenville-Carleton in his comment and hope that if there is to be some sort of consultation we would also consider my first point of order which was the subject matter and the length of the examination or debate which could take place.

The Deputy Chairman: Order, please. The President of the Privy Council on the same point of order.

Mr. Sharp: Yes, Mr. Chairman, I wish to support my colleague the acting House leader for the Conservative party, the Official Opposition, in saying I hope you will look upon this as an experimental day and an experimental procedure and avoid making any rulings until we have had an opportunity to discuss these proposals. I have only one comment to make which I believe also should be borne in mind by those participating in the discussion this afternoon. The minister is placed in a rather awkward position when a member asks for answers to 13 questions and expects the minister to be able to answer them all in a very few minutes. I think this is one problem which has arisen. If this had not happened we might not have become involved in the difficulty we have this afternoon.

[Mr. Stevens.]

The Deputy Chairman: Order, please. Hon. members have referred to a decision from the Chair. I must say no such decision or ruling exists. The Chair simply declared that every effort would be made to apportion the time on both sides of the House. If the minister stands to be recognized, of course he will be recognized. So, there has been no ruling or decision made.

The standard practice in this committee is to apportion the time as equitably as possible. That responsibility which rests with the Chair is taken with the utmost seriousness. In the meantime the hon. member for Laurier has been recognized. He has had great difficulty in presenting his comments and time has been eaten up in this apportionment of time we are attempting to achieve.

The hon. member for Laurier.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, I was certainly not discussing your ruling and the translation may not have rendered exactly what I wished to express. Occasionally, as chairman of a very important committee of this House, the miscellaneous estimates committee, I must say that many members raise points of order concerning the relevance of questions.

I was saying that when we wish to discuss bilingualism, multiculturalism and other matters while reviewing the estimates of the Treasury Board, if members of the Opposition or Liberals are asking me similar question I might refer not necessarily to your ruling, but to the debate of this afternoon which I consider as a very valuable experience. I might occasionally refer to that debate to make a decision that might be favourable or unfavourable to the members asking the question depending on the problem raised. So, I would certainly not want in any way members of the opposition to think that I wanted to encroach upon their right to speak in committee. On the contrary, I think I am one of the committee chairmen who accept many questions that might otherwise be out of order. Then, of course, Mr. Chairman, it is a matter of experience.

I would like to come back to the problem before us this afternoon—the Treasury Board estimates.

It would seem the opposition is taking advantage of the new tentative set of rules now in the form of a nice white-cover book. It is a temporary set of rules for the House of Commons that was passed on March 24, 1975, but it would seem we will regret a lot having passed that new set of rules since the problems raised this afternoon do not seem to have been foreseen by the Committee on Procedure and Organization which drafted the new rules.

As you know, Mr. Chairman, the Treasury Board estimates were considered by the committee which I have had

the honour of chairing, as I said earlier, since 1968 in this House—they were considered on Monday, April 28, 1975. One can read the debates that took place on that occasion—quite interesting debates at that—in issue No. 29. Votes 1, 5, 10, 15 and 20 relating to the Treasury Board were considered. On that occasion, the minister responsible felt bound to reply to all the questions of the official opposition which was represented at that time especially by the hon. member for Edmonton West (Mr. Lambert), who is now away on official business, by the hon. member for York-Simcoe (Mr. Stevens), who, of course is present as usual, and also by the hon. member for Parry Sound-Muskoka (Mr. Darling). As I said, we considered votes 1, 5, 10, 15 and 20.

It seemed then that the opposition was interested mostly in votes 5, 10 and 15 which I shall not read because it would take up some of my time, but they were explained by the minister, and I believe that the opposition should be satisfied with the replies given at the time by the President of the Treasury Board and his officials. However, under the new temporary rules in the House of Commons, it has been decided to discuss the Treasury Board issue further, and I understand this because, despite its comparatively low estimates compared with the total estimates, the Treasury Board is still one of the most important departments in the government, since it must select the programs and projects through which the government can achieve its goals as efficiently as possible, considering its priorities, and since it must also ensure that the departments and agencies use their manpower and equipment efficiently in implementing their programs and projects.

● (1540)

A while ago, the hon. member for Grenville-Carleton (Mr. Baker)—and I understand him because this is the role of the opposition—made a rather scathing attack on the minister, but I have still to hear from the members of the opposition, of the official opposition or other opposition parties, positive suggestions and worthwhile recommendations likely to solve certain problems which now exist concerning the Treasury Board.

We all know that the hon. member for York-Simcoe makes scathing and partisan attacks, mostly unfounded, in committee, and he attempted during the study of the estimates—

An hon. Member: It's the same thing everywhere.

Mr. Leblanc (Laurier): My colleague says it is the same thing everywhere. I do not know, because I am not everywhere, but in the committee I chair, he tried, as I say, to "corner" the president of the Treasury Board (Mr. Chrétien), by making comparisons with the estimates of the whole government.

On that occasion, the minister answered he was confident he would reach his objective, and he trusted there would be a moderate increase of 15 to 16 per cent, subject of course to changes in the economic situation, and also to possible changes which might be introduced by the Minister of Finance (Mr. Turner) with respect to some tax situations which might be amended by May 31st or June 15th. This is something the Minister of Finance hinted at in this House anyway. Of course, when I say that, I am convinced I am not revealing anything confidential.

Besides, the hon. member for York-Simcoe (Mr. Stevens) tried to have both ministers, the Minister of Finance (Mr. Turner) and the president of the Treasury Board, contradict each other, and he did not seem or want to understand that the increase percentage may vary in a department whose main budget item deals with personnel. The 16 per cent objective of the hon. president of the Treasury Board is an average, and when talking about averages, one can talk about extremes, of course, because before one reaches an average, one has to deal with minuses and pluses. Now, the president of the Treasury Board said: Our objective for 1975-76 is 15 to 16 per cent, and I am confident, these are his words, that I will reach that objective inasmuch of course as the tax situation is not amended by the Minister of Finance. But that 15 or 16 per cent may mean 25 to 30 per cent increases in some departments and of 5 to 10 per cent in others, which may lead to an average of approximately 15 to 16 per cent, which is his present objective.

I believe every member here does not appear to understand the exact role of—

[*English*]

Mr. Gillies: A great speech!

[*Translation*]

Mr. Leblanc (Laurier): I thank the hon. member. It is kind of him to suggest I am making a good speech. I appreciate this remark, coming from someone of that calibre, an opposition member. I am deeply touched indeed!

A number of opposition members do not seem to understand the exact role of the Treasury Board. It might be appropriate to state for the record the aims of that department. But once again, this might take too much time. So I will simply suggest that hon. members here, potential members and the population in general look up our blue book which of course is quite impressive. On page 284, both in English and in French—

● (1550)

[*English*]

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but the time allotted to him for participation in this debate has now expired.

Mr. Woolliams: Mr. Chairman, I want first to congratulate you for the manner in which you have directed the proceedings, difficult as that has been.

I would like to take two seconds time in reference to the rules. As I look around the House there are a few hon. members who were in the House when we used to meet and, under the old rules, go into committee of supply. Through you, Mr. Chairman, to the minister and to the House leaders who may be present, I say that, although I know each leader tried to bring about a compromise which would be somewhere between the new rules, which did not work at all, and the old rules, where there seemed to be too much time used in talk, the weakness in this new suggestion is that any minister can take the position that he is not going to answer questions, that he can sit out the

storm of argument and questions, and therefore the opposition can never obtain any information.

I do not want to get into an argument with the minister; I simply point this out in an academic way. With the greatest of respect to everyone in the committee this afternoon, it becomes a total waste of time. The only suggestion I can think of, if we are not able to obtain answers, is to ask the House leaders to put their heads together again. I do not expect any minister to be a walking encyclopedia, because every department is large. There may be some information ministers may not be able to make available, but there should at least be an undertaking that at another time legitimate questions will be answered. There is always politics in the chamber, but ministers could come in at another time and make that information available.

Having said that I just want to say one other thing, which is of a political nature. When we went into the new rules brought about by closure, the Prime Minister had not even gone home for summer recess—I believe it was July—when I picked up the paper, and the Prime Minister was reported as saying that he had sure pulled the wool over the eyes of the opposition.

I believe that happened, but there is no use going back over old history. I see that the Secretary of State for External Affairs, a senior minister, is present. I ask all hon. members in this House, particularly those who have knowledge of the committee of the whole house, to consider this and to see whether we can devise a plan where we can ask legitimate questions and receive legitimate answers.

I want to discuss two or three points in reference to the minister's job. There may be something in the suggestion made by an hon. member that we cannot expect the President of the Treasury Board to answer for all departments, but I hope the other ministers will supply those answers.

The only growth in Canada is through real production and by trading our real production. The hon. member for York-Simcoe clearly pointed out that federal expenditures have increased 134.8 per cent from 1968 to 1974, from $12,229 million to $28,715 million. While the average weekly wage went from $88.19 in 1968 to $177.52 in 1974, an increase of only 101 per cent, the expenditures of the government went up 134 per cent. These figures spell inflation. Government expenditure is not real production or growth. When we get out of line that far, are we not fanning the flames of inflation?

I do not accept the minister's statement on several occasions that parliament approves the right of people in the public service to strike. I only differ with the minister academically, this is not a question of credibility. Particularly, I do not approve of certain areas of the public service having the right to strike; I have always said that if they are going to strike, let them all strike. I wish the Department of National Revenue would strike. People would be pretty happy about that.

What I am coming to now is under the jurisdiction of the minister, and I think it is very important. For 70 long days grain handlers and other people in the public service joined with the longshoremen in Vancouver while 55 ships waited in the ports. One could not even get into the ports

[Mr. Woolliams.]

with a shoehorn, and nothing was done. Finally the government acted after 70 days and put those people back to work, but when they went back to work out of the pockets of western Canadian farmers $40 to $50 million went to demurrage charges.

We have now reached the point where men and women working in those kinds of industries, which are unique to the development and growth of Canada, and which we describe as essential services, must find some method other than the bargaining process to settle economic violence between management and labour. I was very pleased to hear the Prime Minister say something about that, and I can make it clear where I stand. I am prepared to stake my mandate in Calgary North or any other seat in Alberta on the belief that in the essential industries of this country the system we are using has failed, and it is feeding the fires of inflation across the nation.

I wish to point out to the minister how bad the situation is. The Minister of Justice responsible for the Canadian Wheat Board told farmers to produce more wheat in Saskatchewan and Alberta next year. Incidentally, grain is the second largest dollar producing industry in the country. Farmers are prepared to do as the minister has asked, but what happens now that quotas are going to be closed on May 15 and wheat is piled up on farms and in country elevators? Where will they store it if they do produce more grain? All of this has occurred as a result of disruption at the ports. The right hon. member for Prince Albert today pointed out that men and women are still on strike in the St. Lawrence ports. Western grain is being held up and is not going to the cattle industry, the poultry industry, and other industries important to the province of Quebec.

I want to ask the minister—and I wish I could get his ear instead of someone else talking to him—whether he does not feel that the time has come to have another system for settling this kind of economic violence. Second, has the time not come to enforce the law with regard to having men and women go back to work? If so, how is he going to do it?

Those are the two major questions, but I have one other I wish to put. This matter is not totally under the jurisdiction of his department, but it was raised by the hon. member for Grenville-Carleton, and it is in reference to the Calgary airport, which is a $40 million project. I have a wire in my hand from Darlington Haskins and Co. Ltd. and P.M. Dartnall Agencies, who point out that tenders were asked for certain jobs at that airport. These tenders were held 90 days from the time they were to be opened.

● (1600)

The contract was given to a company which they maintain is partly owned—I do not know whether this is correct but someone could check it out—by a former minister in the Liberal government. So they play ducks and drakes with companies in western Canada in order to break the tender rule, to give contracts to eastern Canada. I would ask them to check that. I do not think the minister can answer it today, but I hope that in the question period he will say that those jobs on the airport at Calgary will be properly tendered and there will be no hanky panky with Mr. Benson's Frontenac Company or any other Minister of the Crown.

These people maintain a Canadian company and have been in business since 1920. They say that the government architect in Calgary will confirm that their product was superior. They are a Canadian company but, due to hanky panky, a company from another part of Canada is to supply an inferior product at higher cost. That is what we are talking about, the right to tender when dealing with $40 million. The minister has the responsibility of administering the finances of all departments.

I have asked three questions, Mr. Chairman: first, about the violence on the docks; second, is the government going to pay back the farmers for their losses due to demurrage charges and third, is he going to get the men back to work on the St. Lawrence—is he going to force them back? I want to know about the contracts on the Calgary airport and the point raised by the hon. member for Grenville-Carleton.

Those are my questions, Mr. Chairman, succinct and to the point.

The Acting Chairman (Mr. McCleave): The hon. member for Saint-Michel.

Mr. Chrétien: On a point of order, Mr. Chairman, if my time was to be taken out of that of the hon. member for Calgary North I will reply now, otherwise I will not reply until the end of the debate.

The Acting Chairman (Mr. McCleave): The hon. member for Saint-Michel.

Mr. Woolliams: On a point of order, Mr. Chairman, I do not know whether you were in the House when the former chairman took the chair but, as I understood his suggestion, although he did not make it a rule, this is pretty important to us and I hope you will hear me out. I am not trying to take up the time of the proceedings. I cut my time by half but I asked four important questions. The minister said he would answer me provided you did not take it out of the time of the government. I do not think we should. I think we should take it out of my time, and he has 10 or 15 minutes. I would like that exercised. You may look annoyed but, with the greatest respect, I am asking you because I did not take all my time and, secondly, I think he should answer those questions regardless of what rules you interpret again with the greatest respect to you.

The Acting Chairman (Mr. McCleave): The hon. member for Saint-Michel.

Mr. Woolliams: On a point of order I want your ruling and I am going to stand my ground. You can ask me to leave the House. I am a senior member. I have asked for the minister, and the minister is prepared to answer my questions out of my time. Are you ruling against me on my time?

The Acting Chairman (Mr. McCleave): Order, please. The hon. President of the Treasury Board has indicated—would the hon. member take his seat? The hon. President of the Treasury Board has indicated he would reply later on in the time that is allotted to the hon. member's questions. I think that is sufficient for the purpose of the questions put. The hon. member for Saint-Michel.

Mr. Woolliams: A question of privilege.

The Acting Chairman (Mr. McCleave): The hon. member for Calgary North on a question of privilege.

Mr. Woolliams: I want to point out, with the greatest respect, that if we have enough people talking at a quarter to five the time you speak about becomes superfluous. There will be no time and I will get no answers to my questions. What I said earlier—if that is the kind of proceedings and we are trying to work it out—and I was very gentlemanly when I dealt with the rules—if that is the ruling, then you yourself have contributed to the kind of farce we have had this afternoon.

Some hon. Members: Shame!

The Acting Chairman (Mr. McCleave): I think the hon. member, upon reflection, since he is an experienced member of the House, will later on perhaps want to rise and make some reference to what he has just said. In the meantime, I recognize the hon. member for Saint-Michel.

[*Translation*]

Miss Bégin: Thank you, Mr. Chairman. I would like to apologize to the hon. member for Alberta—whose name I forget—for having said that his constituency represents a double or a treble minority. I am a woman. I intend to talk about female employees in the public service. I am a French-Canadian, this is quite fashionable these days. Unfortunately, I have only two and a half years of service. This means that I am a fool, an idiot according to what I understood from his comments. This being said, there was such verbal inflation this afternoon that I nearly lost the thread of the questions I had intended to put to the hon. President of Treasury Board (Mr. Chrétien) about the public service. These questions dealt with what I thought was the principle of a fine public service in Canada.

The public service, to me, is something that provides a service of quality and shows an awareness to the needs of the public. Secondly, it is an available organization and thirdly, it is the embodiment of the government of this country, which should be demonstrated through simple justice for every member of the public service and it is with this point that I should like to deal in particular.

I was deeply struck, Mr. Chairman, by the speech of the hon. member for York-Simcoe (Mr. Stevens). I feel that this is an extraordinary example of chauvinism of all kinds and I have just understood why this side won the last election. That man is part of a "winners" and "losers" culture. He is a dollar man and a square foot man. Some are more square than others. I realized while listening to him—because he had a long creed in 13 points—that all that counts in life is money, not people. Therefore it is obvious that if he were a minister—he is eager to be a minister, at least Minister of Industry, Trade and Commerce—he would never want to be Minister of Health and Social Welfare, because that is obviously too common.

It is certainly not chic to be a minister of people's problems. Besides it seemed to me that he would perhaps reduce the family allowances. Therefore he is interested in output, in the number of waste baskets a public servant is entitled to have in his office. As far as I could understand,

it is for him a measure of efficiency and productivity in the public service. I am deeply disturbed because it is in a totally different way that I visualize that public service which includes almost 400,000 people.

I should like first to ask a question about one of the first minorities which need simple justice in that public service, namely the French-speaking Canadians. Over the two and half years I have been here, I have been hearing such nonsense on the French Canadians that I am beginning to ask myself serious questions. I should like to know how many bilingual jobs were added to those of the 53 per cent employees mentioned in his November 21, 1974 release.

I will not dwell any longer on the matter of French Canadian public servants except to mention that many of my constitutents and myself consider the bilingualism program in public service as a gift for English speaking Canadians because they have the opportunity to learn the second official language of the country during their work time at the expense of all Canadians. Many French Canadians suffered culturally from an impoverishment of the economical knowledge and of the management. Many wonder whether some kind of compensatory program should not be worked out on a sort of historical correction, offering to the French Canadians not English language courses, because the vast majority of them have to learn it painfully, but a management training program in order for them to have the same opportunities as English Canadians do have and for our public service to be really representative.

I would like to turn now to the bilingualism premium. In this week's newspapers the minister is reported as having made inconsistent statements. I could remember when I was a public servant that were forced by the pressure of the labour market to implement the bilingualism premium policy for secretaries and other related groups. I would like to know what philosophy he is in favour of so as to face the problem recently developed in Montreal in particular, concerning federal public servants who are using both languages at their own expenses because they learned them by themselves, and because their wage level is not quite much higher than the secretaries, and who wonder where is the equity in that bilingualism premium policy.

I will now turn to another issue. Nothing is easier for me, because I understand from the speeches . . .

● (1610)

[*English*]

Mr. Baker (Grenville-Carleton): What is your question?

Miss Bégin: If you understood French, I am asking questions. May I go on?

Mr. Baker (Grenville-Carleton): What is the question?

Miss Bégin: Listen, and you will understand what I am trying to say. Just make a little effort.

Mr. Baker (Grenville-Carleton): Then, why not ask your question?

[Miss Bégin.]

[*Translation*]

Miss Bégin: Mr. Chairman, as to the second item, I would like to say—I understand quite well that the hon. member for Grenville-Carleton (Mr. Baker) should be particularly concerned at this point. His question is not complicated: he wants to make a separate mental category to know how much it costs to have French Canadians in the Public Service. Basically, that is the purpose I saw in his question. So, I suggest him to add another question: how much does it cost to give simple justice to women in the Public Service? We could perhaps in a year or so, with public opinion and the experiences of the opposition, ask how much it costs to have Indians in the Public Service. And then we could cover nearly everyone like that, at random. One day we will be left with a nice minority. How much does it cost to have Progressive Conservatives in the Public Service? I would like very much to know the cost of that, Mr. Chairman. It costs very much to have Progressive Conservatives in the Public Service.

Some hon. Members: Yes, yes.

Miss Bégin: Much too much. Progressive Conservatives in the Public Service are people who systematically prevent male and female Canadians from obtaining simple justice. They are the ones systematically sabotaging government programs, all programs that do not come under the dollar sign of the hon. member for York-Simcoe who operates on the basis of square footage and of the number of waste paper baskets in the offices of public servants.

That means that for him human beings, as he suggested, are not needed. That gentleman as well as the one I am talking to are people who work on the nineteenth century's principle of economic laissez-faire. It suits them because it is very simple. There is an expression for that—the law of the jungle, where the strongest wins. We French Canadians have indeed a very picturesque way of explaining it. It is an expression that I will not use because I am sure that the censorship will not allow it to pass.

I shall add that I consider the hon. member for York-Simcoe as a dinosaur, rather as representing dinosaurs and that he is an extraordinary prototype of the "winners" and "losers" culture. Mr. Chairman, I have been elected to care about the people who need and wish to be represented here in this House and surely not to make richer those who are already rich and one may wonder how they achieve their wealth.

With those republican words, I shall ask a few questions about a group that is not in fashion this year, the female public servants. Unfortunately, I heard the president of the Treasury Board say that we might be going backwards in that respect probably because of a few conservative minds that can still be found at certain levels of our public service. I am very concerned about it after the speeches made by the opposition today because if there is a priority presently in Canada, it is certainly to give justice to the employees. Therefore I should like to know how many women—and what percentage they represent—have been able to attend the courses recommended by the Royal Commission on the Status of Women and adopted by this government, which I commend it for, designed to help them to move from the ST or CR groups to the managerial

levels. I express here the problem of the promotion of women within an institution where a contemptible conservatism is still a blot on the escutcheon of the government.

Let me explain: there are bottlenecks at two levels and because of the old structures of our economy, they prevent women from having fair opportunities of equal promotion. First, secretaries and other related clerk categories do not manage to reach the managerial level, because their job is by nature or tradition entirely reserved for women.

Strange enough, I believe that it is exactly what happened between French Canadians and English Canadians in the public service. Up to March 1974, only 212 women and 47 men had been able to take advantage of the program I referred to. Of course, I do not object to male clerks having the opportunity to attend free courses and being promoted to the junior management level, but I know very well that this program has been initially designed for women, for a large group of women and that they are not fairly represented on a percentage basis.

Secondly, very few women have been able to reach higher positions; how and how many can and will reach the SX or the DM categories? This is the real issue of equal opportunities for men and women in the public service. I think that several deputy ministers appoint their assistant deputy ministers and directors.

It is practically obvious that if this system is not reviewed and is maintained, no woman will ever be able to accede to the position of director, assistant deputy minister and, naturally, deputy minister. Of course, all I have just said is based on the principle of equal ability. I am not concerned with that problem. When women reach a certain level, in general they are twice as qualified because they had to overcome obstacles which sometimes are legal, very often psychological, but nonetheless real, as we have seen this afternoon in the House while listening to the chauvinist remarks on the other side.

Concerning both aspects I have been dealing with, I would add that I am of the opinion that it is very important for the female public servant to have an opportunity to choose her career. In conclusion, I would ask the president of the Treasury Board whether he can give me the assurance that all these equal opportunities programs for female and male public servants will always be developed in close cooperation with the Advisory Board on the status of women.

● (1620)

[*English*]

The Acting Chairman (Mr. McCleave): As we approach the 4:45 adjournment, perhaps I could ask for the co-operation of two members of the committee, the President of the Treasury Board and the hon. member for Yukon. Because of questions raised by the hon. member for Calgary North and the hon. member who has just taken her seat, possibly the President of the Treasury Board could speak until 4:30. This would give the hon. member for Yukon 15 minutes. Is this agreeable?

Mr. Chrétien: Yes, Mr. Chairman, with the caveat that I expect the hon. member for Yukon to ask some questions, and there is the vote at a quarter to five.

Mr. Nielsen: I will give you time.

Mr. Chrétien: Of course hon. members cannot expect me to answer everything this afternoon. However, I will reply to some of the questions. As for the other questions, I will provide the answers to hon. members either through letters—

Mr. Nowlan: Mr. Chairman, I rise on a point of order. I do not want to cut off the President of the Treasury Board. I just want to point out in fairly calm indignation that members on both sides have sat here trying to get involved in this committee of the whole dealing with supply.

I am one of the members who sat here when the old rules applied. In 1968 the new rules came in with closure and time limits. This whole thing has become a little farcical.

The hon. member for Saint-Michel asked detailed questions about the place of women in the public service. The point is that most of those questions could have been placed on the order paper. The point I want to make is that this is an opposition day based on supply. That is the prerogative of the opposition, not the prerogative of the hon. member for Saint-Michel and others.

Up until now there have been three members of the opposition who have participated in this afternoon's farce. I had a subject matter that was rather topical. I have specific questions I want to direct to the President of the Treasury Board about a dredging problem. It affects many areas in Canada. Unfortunately, because of Your Honour's suggested ruling and the compliance of the President of the Treasury Board, we will not be able to get into it.

I seriously suggest to the Chair that before we continue this farce on Monday, Tuesday and Wednesday of next week, which are supposed to be opposition days dealing with supply and which are supposed to be the prerogative of the opposition and not the handmaiden of all the ladies in this place to deal with their favourite subject, this matter should be looked at, otherwise we should not go ahead with it.

[*Translation*]

Miss Bégin: Mr. Chairman, I rise on a question of privilege. For the record, I would simply state that I am deeply annoyed by the paternalistic attitude shown by the hon. member from Nova Scotia. I realize quite clearly he was following all his colleagues from the opposition, and that he systematically opposed equal opportunities for women in the public service of Canada.

[*English*]

Mr. Alkenbrack: On a point of order—

Mr. Nowlan: Mr. Chairman, I rise on a question of privilege.

The Acting Chairman (Mr. McCleave): The hon. member for Frontenac-Lennox and Addington on a point of order.

Mr. Nowlan: Mr. Chairman, I have priority over a point of order.

The Acting Chairman (Mr. McCleave): Order, please. This sounds like the anvil chorus. Unfortunately the Chair happens to be the anvil. I will recognize the hon. member

for Annapolis Valley on his question of privilege. However, I tried to make as fair an arrangement as I could, knowing there are a dozen members who want to speak.

Mr. Alkenbrack: My point of order, Mr. Chairman—

Mr. Nowlan: Your Honour knows a question of privilege has priority over a point of order.

The Acting Chairman (Mr. McCleave): Will the hon. member resume his seat? I have recognized the hon. member for Frontenac-Lennox and Addington. Surely I am allowed to be as good a Chairman of the committee as possible. If I am not, hon. members can take steps to remove me. The hon. member for Frontenac-Lennox and Addington.

Mr. Alkenbrack: Mr. Chairman, my point of order is that I have some questions that I sincerely wanted to ask of the President of the Treasury Board. However, along with many others, I have been precluded from doing so because of the unethical tactics of the government.

Mr. Nowlan: Mr. Chairman, I rise on a question of privilege. The hon. member for Saint-Michel has started to make a hasty retreat so I will be short and simple. Obviously I am not going to challenge whatever the lady says. That is not the point. However, I listened to her. I did not interrupt when she started in the first five minutes of her contribution drawing some slander against the public servants by suggesting that the Progressive Conservatives are against women. Any number of men or women in this chamber could have challenged the lady on those rather fantastic remarks. The Conservative Party was only in power for six years. If the hon. member was serious, that was a deliberate slur and slander against people in the public service. However, I do not think she was serious. Certainly from the other remarks she made, and the last remark concerning me, I know that she could not be serious because she is so frivolous.

Mr. O'Connell: Mr. Chairman, as we begin this experiment under the new rules that will only last for a certain time, I cannot think of anything that will collapse this experiment more quickly than the performance of the hon. member who just sat down. He said it was the understanding that these days would be for the opposition. I sat in that committee on procedure and organization.

Mr. Nowlan: It is a supply day.

Mr. O'Connell: Supply days are for all members of this House.

Some hon. Members: Hear, hear!

Mr. O'Connell: The point of order I want to make is that it was not at all the understanding of that committee on procedure and organization that the members on this side of the House would be silent on this day. We were told—

Mr. Gillies: Filibuster.

Mr. Clark: You only have 15 minutes left to filibuster.

Mr. O'Connell: I invite the hon. member to read the proceedings of that committee. We are on an important point of order. If we on this side are given to understand that the perspective of the people on that side with respect to this experiment is that this belongs to the opposition, there will be no continuation.

[The Acting Chairman (Mr. McCleave).]

Some hon. Members: Hear, hear!

Mr. O'Connell: The hon. member for Annapolis Valley sat on this committee. He should go back and look at the record. His party begged for this experiment. They told us that they would have more chance—

Mr. Clark: Mr. Chairman, I rise on a point of order. The hon. member for Scarborough East is deliberately trying to prevent the minister from answering questions on this subject.

The Acting Chairman (Mr. McCleave): Order, please. The hon. member is clearly out of order. The hon. member for Scarborough East has been recognized. Obviously two points of order cannot be spoken at the same time.

Mr. Baker (Grenville-Carleton): Mr. Chairman, I do not want to interrupt the hon. member. I agree with what he is saying as to what went on in the committee. I think he is right. However, I am concerned about what has happened to that understanding. I think—

The Acting Chairman (Mr. McCleave): Order, please. The deputy House leader will have to make his observations after the hon. member for Scarborough East has completed his point.

● (1630)

Mr. O'Connell: I shall be brief, Mr. Chairman, but I wish to make what I consider to be an important comment and one which I consider to be fundamental to this procedure. If members wish to read the proceedings of that committee they will see that I stood almost alone against this experiment. Now we are finding that perhaps I was right.

Some hon. Members: Hear, hear!

Mr. Chrétien: Mr. Chairman—

The Acting Chairman (Mr. McCleave): Order. Traditionally the debate would be wound up by a member of the opposition. Could the hon. minister make his remarks in, say, four minutes, and then the hon. member for Yukon will have a few minutes in which to speak?

Mr. Nielsen: We have 12 minutes left and I suggest the minister take six.

Some hon. Members: Hear, hear!

Mr. Chrétien: In reply to the hon. member for York-Simcoe I have a few answers to give. He asked for the costs of furnishing Place Bell Canada. The cost was $490,000, something like $600-odd per capita. It is not that extravagant. The amount of space is 22,000 square feet, and we pay $5.97 per square foot in rental.

As for the cost of the Unemployment Insurance Commission, as usual the hon. member has not done his homework. What appears in the books this year is the cost of

the Unemployment Insurance Commission for last year; the cost this year will be found in the Blue Book of next year. So next year he will know. As far as the other questions are concerned, I shall look into them. If they are serious, and not too closely related to the furniture and so on, I will answer them. I will give all those answers by letter or by other means.

Turning to the remarks of the hon. member for Calgary North, of course I would like to have a better method of settling strikes, but I would point out to him that only 2 per cent of the collective agreements in the civil service since 1967 have been concluded following strikes; 98 per cent of the collective agreements between the government and its employees have been settled either by arbitration or through conciliation. The hon. member referred to the dockers. These are not civil servants. They work in the private sector and the Treasury Board has nothing to do with these disputes. I would like to debate that question, but I cannot do so now.

As to the question of compensation to farmers for the cost of demurrage incurred at Vancouver, the answer is no. I cannot be more precise. A further question was asked concerning the airport in Calgary. Tenders were called but only one bid was offered to the government which met all requirements, and we approved it. I might add that I have received a number of strong representations on the subject from members representing constituencies in Alberta—they were made in a very professional way; they have nothing in the back of their minds, but they wanted to have an answer. I gave them the answer. This expenditure of $40 million was approved by Treasury Board the other day. It was the only bid we had. Of course we wish we could have done better but we had no taker, and it was felt by the department that the bid was acceptable.

The hon. member for Grenville-Carleton is interested in bilingualism. He was complaining that figures as to cost are not easy to obtain. Well, the figures are in the Blue Book and I will, with the indulgence of the committee, read him some. Incidentally, the same question has been directed to me many times in the committee.

In the estimates of the Treasury Board, vote No. 1 official language branch, we find $1.3 million. Other figures are: Public Service bilingualism program, vote 15, $50 million; Department of the Secretary of State, bilingualism development branch, votes 5 and 10, $107.7 million; translation program, vote 30, $31.7 million; official languages minority group citizens program, votes 35 and 40 of those estimates, $3.6 million; under training, Public Service Commission, part of vote 115, $31 million; Urban Affairs, $300,000. The total is $225.5 million. There are some other items I cannot give to the House because I cannot go and count all the signs on all the doors of the toilets and the elevators and so on. Perhaps there were some costs involved there, but unfortunately I cannot give the figure. It would cost more to give the answer than the cost of putting on the signs.

The hon. member asked about bilingualism guidelines and about an incident which occurred this morning. I will have to give some thought to it—I am not in a position to give an explanation; these are term employees hired for four months only and we cannot send a man on a course for 12 months if he is to work for only four months.

Six minutes is not very long in which to answer all these questions, but I am doing my best. The hon. member for Calgary North asked me another question—

The Acting Chairman (Mr. McCleave): I regret to interrupt the hon. minister but the time as allotted to him by agreement between the hon. members has expired.

Some hon. Members: Hear, hear!

Mr. Nielsen: Mr. Chairman, my questions will be very brief. Perhaps the minister will have more time in which to answer further questions when I am through.

Before I get to the matter which is closest to my heart, the subject of the federal nurses, I might be allowed to say a word with respect to the procedure presently being followed. There are not many members here who are familiar with the procedure followed when we dealt with estimates in the committee of the whole House. When that happened it was a day of accountability for Ministers of the Crown and members on the government side—and I know, because I have sat on that side and I remember how the whips applied the pressure—kept us quiet because they realized the minister concerned wanted to get his estimates through the committee. It developed into an opposition day; it was the opposition which was inquiring into the estimates, not members on the government side.

Try to transpose that system into the rules we are now following, under which the system is being used for the purpose of an allotted day. It won't work. If we are going to use the old system as a method of dealing with estimates, and call it an allotted day, new rules will have to be developed. The whole concept of an allotted day dealing with estimates loses all purpose if time is taken up by members of the House other than members of the opposition, whose duty it is to call the government to account.

I turn now to the further discharges this morning—I call them discharges even though they are not so called by the minister. I do not have my notes here now but my understanding is that out of 24 nurses at the National Defence hospital here in Ottawa, 17 have been told to go home because there was no work for them. They said to the hospital authorities, "Give us a certificate stating we have been laid off so we can apply for unemployment insurance." The hospital officials said no, they were not going to do that. They said, "You are on off duty status". The nurses maintain—and it seems logical to me—that there is no such thing. In effect it has every appearance of being a method to break down the nurses and to break the strike.

● (1640)

If the nurses are going to be laid off they should be told in order that they can have the same right as any other unemployed person to apply for unemployment insurance benefits. It is no excuse for adopting this tactic to say that there are not enough patients in the hospital and therefore their services are not required. My information, which could very well be inaccurate, is that this is being done by Treasury Board officials. Indeed, the name of Mr. Fothergill has been mentioned in this connection. He is not here to answer for himself, but the minister is. I raise this because it is a very serious matter if the muscle of Treasury Board is being used in this fashion to break the strike.

This morning I again raised the question of a COLA clause in the nurses' agreement. I know the conciliation board has recommended an increase, I think of 20 per cent, in the nurses' salaries, which just brings them level, for instance, with nurses in British Columbia. I understand the latter are already on the threshold of negotiating a new agreement, so that if the federal nurses accept the conciliation board report they will be behind again almost immediately, because the B.C. nurses are negotiating a better deal. I urgently suggest to the minister that he consider granting the nurses' request with respect to the inclusion of a COLA clause. If he does not, I think he will be a long way away from settling the strike. The minister has a minute left so I yield the floor to him.

Mr. Chrétien: Mr. Chairman, in regard to the National Defence Medical Centre, those people were sent home because there was no work for them. We have done the same thing in other cases; for example, the postal workers in Toronto. We are not under an obligation to keep people on the payroll if there is no work for them.

With regard to the COLA clause, although the nurses in British Columbia may be negotiating a new contract we have to live with the facts of today. We do use comparability. It was debated and there was a unanimous report. There was no discussion of a COLA clause, and probably because of the nature of the increase the conciliation board did not feel it should include a COLA clause.

[*Translation*]

As far as the hon. member for Saint-Michel (Miss Bégin) is concerned, I am not in a position to give answers. She raised very valid questions on bilingualism and the status of women in the Public Service. Both these problems stand high in our priorities. Hopefully, we will be able to make significant progress in the years to come, and I expect that, as the situation of women within the Public Service, we will not be forced to give the same kind of answers as on the issue of bilingualism.

[*English*]

Mr. Nielsen: Mr. Chairman, before you see the clock, would the minister deal with the other serious aspect of the question that I raised regarding the muscle of Treasury Board being used deliberately for the purpose of breaking the strike of the nurses—that is to say, sending them home from work and not laying them off?

Mr. Chrétien: Mr. Chairman, the Treasury Board is an employer and it does these things in conjunction with the department. We are exercising the right of an employer as laid down in the legislation.

Mr. Baker (Grenville-Carleton): Mr. Chairman, without looking at the clock may I say I realize the minister did not have a chance of answering the first set of questions I put respecting the contract for advertising. I want to tell him that if he does not have time now he can write me.

Mr. Chrétien: Mr. Chairman, I should like to write the hon. member on that. I should like to make one specific comment, and that is that if someone starts to work on a contract that has not been approved by Treasury Board he does so at his own risk. I have seen cases where people took that chance and received no compensation at all.

The Acting Chairman (Mr. McCleave): Order, please. It being 4.45 o'clock p.m. it is my duty, pursuant to section (9) of Standing Order 58, to interrupt these proceedings and to put forthwith every question necessary to dispose of the proceedings. Shall vote No. 1 carry?

Some hon. Members: Carried.

Mr. Baker (Grenville-Carleton): On division.

The Acting Chairman (Mr. McCleave): Carried on division. Shall vote No. 5 carry?

Some hon. Members: Carried.

Mr. Baker (Grenville-Carleton): On division.

The Acting Chairman (Mr. McCleave): Carried on division. Shall vote No. 10 carry?

Some hon. Members: Carried.

Mr. Baker (Grenville-Carleton): On division.

The Acting Chairman (Mr. McCleave): Carried on division. Shall vote No. 15 carry?

Some hon. Members: Carried.

Mr. Baker (Grenville-Carleton): On division.

The Acting Chairman (Mr. McCleave): Carried on division. Shall vote No. 20 carry?

Some hon. Members: Carried.

Mr. Baker (Grenville-Carleton): On division.

The Acting Chairman (Mr. McCleave): Carried on division. Shall I report the resolutions?

Some hon. Members: Agreed.

Resolutions adopted in Committee of the Whole this day reported and concurred in.

The Acting Speaker (Mr. Penner): Shall I call it five o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): It being five o'clock p.m. this House stands adjourned until two p.m. on Monday next.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 12, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS

SUGGESTED INVESTIGATION OF FAILURE OF BELL AND CNT TO PROVIDE ADEQUATE TELEPHONE SERVICE—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The deterioration of the telephone service between parliament hill and eastern Canada indicates the need for an investigation into the capabilities of Bell Telephone and CNT. The service can only be described as deplorable and a national disgrace. I therefore move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That both agencies be called to account for their inability to cope with the normal needs of Canadians, particularly in the more remote provinces, before a joint committee on Transport and Communications, and Consumer and Corporate Affairs, and that the government order that future rate increases be denied until they satisfy the normal needs of Canadians.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity, and therefore the motion cannot be put.

* * *

PUBLIC SERVICE

REFUSAL TO ALLOW MICHAEL PITFIELD TO APPEAL BEFORE STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion arising out of the outright refusal last week by the Prime Minister (Mr. Trudeau) to allow a parliamentary committee to question his chief aide, Michael Pitfield, in his capacity of clerk of the Privy Council. I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That in the opinion of the House no public servant, including Michael Pitfield, should be placed above and beyond the authority of this elected parliament, that the refusal of the Prime Minister to allow the Miscellaneous Estimates Committee to question Mr. Pitfield constitutes extreme arrogance and utter contempt for the parliamentary process and that a full investigation of the staggering increases in costs of the Privy Council and Prime Minister's offices, including expenses for lavish living at 24 Sussex Drive, should be carried out by the Miscellaneous Estimates Committee with Michael Pitfield and all other witnesses deemed necessary by the committee being questioned.

Some hon. Members: No, no.

Mr. Speaker: I detect that there is not unanimity, and therefore the motion cannot be put.

Mr. Baldwin: If he can't answer questions any better than his boss, it would be a waste of time anyway.

ORAL QUESTION PERIOD

[*English*]

NORTHERN AFFAIRS

BERGER COMMISSION—GOVERNMENT VIEW OF NECESSITY FOR COMPLETE EXAMINATION OF ENVIRONMENTAL AND SOCIAL IMPACT OF MACKENZIE VALLEY PIPELINE

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, if he could be lured back into the House. He was here a minute ago, but in his absence I will direct my question to the Prime Minister. In light of recent disputes concerning the funding of the—

Mr. Fairweather: He is sneaking behind the curtain.

Mr. Clark (Rocky Mountain): I welcome the minister back to the House.

In light of recent disputes concerning the funding of the Berger Commission inquiry into the Mackenzie Valley pipeline and the funding of related groups appearing or wishing to appear before the commission, is it still the commitment of the minister and the government that there should be a complete and effective examination of the total environmental and social impact, long and short term, of the proposed Mackenzie Valley pipeline on the northern environment and the people in the north?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, and the economic impact as well.

Oral Questions

BERGER COMMISSION—LACK OF FUNDS FOR NORTHERN ASSESSMENT GROUPS—RESPONSIBILITY FOR ASSESSMENT OF EFFECTS OF MACKENZIE VALLEY PIPELINE

Mr. Joe Clark (Rocky Mountain): Since the Northern Assessment Group is the only scientific and technical research team concerned with the long term effects of the Mackenzie Valley pipeline upon the environment and society of the Canadian north, and because the government has now cut that Northern Assessment Group from federal funding, will the minister please advise the House upon whom the obligation now lies for the assessment of the long term effects of a northern pipeline and how that group, whoever it is, will be funded?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Last year when funds were provided to Mr. Justice Berger, the intention was that part of these funds would be used to enable the Northern Assessment Group to do its studies and the various analyses it had to do so that this information would be available to the commission. It is my understanding that was done. It is now a question of having the experts appear before the commission. On that issue, the decision was taken by the Treasury Board to provide the additional $100,000 to native groups so that they could hire or use the experts to appear as their witnesses before the commission.

● (1410)

Mr. Clark (Rocky Mountain): A supplementary question. If it is determined that the investigative work referred to by the minister has not in fact, been carried out in an adequate way, is it the position of the government that there will be more funding to the Northern Assessment Group so that there will be a capacity to have information on the long-term environmental economic and social impacts of the pipeline on the north?

Mr. Buchanan: Mr. Speaker, it was felt that the funding that was given through Mr. Justice Berger plus work that was done in-house by various government agencies which was made available to the commission, was sufficient for the research purposes.

BERGER COMMISSION—REASON FOR CUT IN FUNDING OF NATIVE ORGANIZATIONS PARTICIPATING IN INQUIRY

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. On April 24 in response to questions the minister implied that this year's budget for the native organizations participating in the Berger Commission inquiry covered a shorter period than the 1974-75 budget. The 1974-75 funding, however, commenced in September and ran only seven months, a shorter period than the minister's nine months estimate for this year. In the light of those facts would the minister justify to the House the very substantial cut made with respect to native organizations?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will have to go back and check that item. It is my understanding that funding went back further than that. The feeling was, however, that the research, the studies and analyses were being done primarily during that period. Now, we are basically funding appearances before the commission plus the informational aspect going on in the various small communities.

[Mr. Buchanan.]

Mr. Holmes: A further supplementary question, Mr. Speaker. In light of the statement by Mr. Ian Scott, counsel for the Berger inquiry as follows:

> . . . The inquiry was advised in February by the department that the minister does not wish to support environmental organizations through the inquiry's operating budget . . .

Would the minister reconsider statements that he made on April 24 concerning the funding for the northern assessment group? Would he also indicate if he is prepared to make an announcement to the House concerning future funds for the Northern Assessment Group before the Berger Commission reconvenes?

Mr. Buchanan: Mr. Speaker, I believe I said the funding would go—I stand by that statement. There is no intent to fund the Northern Assessment Group to any further extent. The intention is to fund native groups so that they can hire, if they wish, members of the Northern Assessment Group to appear as expert witnesses before the Berger Commission. That is the purpose of the additional $100,000 that has been given to the native groups.

* * *

FINANCE

REASON FOR DELAY OF REPORT ON TAX CONCESSIONS AND FAST WRITE-OFF TO MANUFACTURING AND PROCESSING INDUSTRIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in view of the absence of the Minister of Finance I shall direct my question to the Right Hon. Prime Minister. Can he explain to the House the reason for the delay of 4½ months in tabling the final report on tax concessions to manufacturing and processing industries—that is, the lower tax rate and the fast two-year write-off on machinery and equipment? Can he also inform the House whether the government intends to table the report and give the reason for the 4½ month delay?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in the absence of the Minister of Finance I will take notice of the question and find out for the hon. member.

Mr. Nystrom: That is hardly good enough, Mr. Speaker. I should like to ask the Prime Minister whether the delay in tabling the report results from the fact that the government is having difficulty proving that the tax cuts have actually created more jobs, as we have heard in this party from sources within the government? Is that the reason the report is not being tabled today?

Right Hon. P. E. Trudeau (Prime Minister): I will gladly take that question as notice, Mr. Speaker.

INQUIRY AS TO NEW PROGRAMS TO CREATE JOBS AND DATE OF BUDGET

Mr. Lorne Nystrom (Yorkton-Melville): A further supplementary, Mr. Speaker. Can the Prime Minister inform the House whether the government intends to bring in new programs to create jobs shortly? Perhaps he can tell the House the date of the new budget.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the budget date is usually announced by the Minister of Finance and he will do so in due course.

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[*Translation*]

SOCIAL SECURITY

SUGGESTED DISTRIBUTION OF BENEFIT CHEQUES THROUGH BANKS AND CREDIT UNIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Supply and Services.

In view of the fact that work stoppages in postal services delay considerably normal mail delivery, can the minister tell the House whether he has looked with his colleagues into the possibility of having family allowance, old age pension and veterans' pension cheques distributed through banks and credit unions through a credit to each beneficiary's account which would be made up at the end of the month to each of those institutions, and of allowing the beneficiaries to select the bank or credit union of their choice?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we are co-operating closely with the departments responsible for issuing socio-economic cheques and the postal authorities. I believe we have reached agreements that are quite satisfactory to the beneficiaries.

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[*English*]

FINANCE

POSSIBLE DELAY IN PRESENTATION OF BUDGET IF PROGRESS SLOW IN OBTAINING CONSENSUS ON RESTRAINT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of Finance may I direct my question to the Prime Minister? In view of indications given on Friday by finance officials during the federal-provincial consultations and by press reports over the weekend that a budget is to be presented on June 2, and as the working papers on consensus which the Minister of Finance tabled presumably form the basis from which the minister is prepared to negotiate, is the government prepared to delay the presentation of the budget if negotiations should go slowly, or has the Minister of Finance given business and labour a deadline, in effect, the date of the presentation of the budget?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take that to be a representation. I will gladly transmit it to the Minister of Finance.

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HEALTH

ALLEGED SALE OF DISEASED MEAT BY QUEBEC PACKING COMPANY—GOVERNMENT ACTION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, in the absence of the Minister of National Health and Welfare, may I direct my question to his parliamentary secretary? As the minister warned last Friday that meat processed by a Quebec packing company may have come from dead or diseased animals and sold to consumers in the Province of Quebec, mostly in the form of minced meat or hamburg, what steps have been taken to track down this meat, reported to consist of approximately 210 tons, and what action is contemplated not only against Federal Packing Incorporated of Magog, Quebec, but against beef retailers who, as co-conspirators, accepted the tainted beef and sold it to unsuspecting consumers?

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I will take that question as notice.

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THE MINISTRY

POSSIBILITY OF CHANGES IN CABINET—PRIME MINISTER'S POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Prime Minister. As the Prime Minister announced, when leaving for the Commonwealth Parliamentary Conference, a widespread shake-up of deputy ministers as a means of trying to strengthen the operations of government, is he planning, now that he has returned, to announce a similar widespread shake-up, in the near future in the cabinet as a means of trying to lift the country out of the chaotic condition in which its economy finds itself?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that the premise of the question is incorrect, but if the hon. member believes in shake-ups, I suggest that his leader should shake up his front bench.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, that is the kind of snide, slick answer we have learned to expect from the Prime Minister. May I ask a supplementary question? Is not the real reason for his refusal to take action this: That he, like everybody else connected with the Ottawa scene, has learned that senior civil servants, not the cabinet, run the government and country, and that making a shift in the cabinet really would not have much effect?

Mr. Trudeau: Mr. Speaker, it seems to me that the hon. member opposite is projecting from the time when he was a minister.

Mr. Hees: Mr. Speaker, yes, I am looking back to the good old days when we had action in this parliament and the government did a good job for the people of Canada.

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GRAIN

BARLEY—POSSIBILITY OF INCREASE IN QUOTA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board. Can the minister inform us, western farmers, and particularly those in the Peace River district of British Columbia and Alberta, what action the minister through his agency is planning in order to lift the quota of three bushels per acre on barley, now that congestion on rail and ports, according to him, has been relieved?

● (1420)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Canadian Wheat Board is opening quotas as quickly as space allows. It is a situation that is continually improving. I believe there was a fairly generous addition of four bushels to the barley quota opened last week. I will check its applicability to the Peace River area.

Mr. Oberle: Mr. Speaker, this is the time of year when farmers get into the fields, buy fertilizer, machinery and equipment and hire labour to put the crop in the ground. If a further addition to the quota cannot be achieved within a reasonable time, will the minister consider some advance payments for barley immediately?

Mr. Lang: Mr. Speaker, this is hardly the time of year for advance payments. A more suitable time will be when the new crop year begins and the new limit of $15,000 which has been adopted comes into effect. However, as I indicated, the quotas on all grains are opening rapidly. Last week the wheat board announced the extension of the open quota to higher grades of wheat, and some additions in the case of barley. There will be a rapid movement of grain and I can therefore tell the hon. member to remain optimistic in this regard.

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EXTERNAL AFFAIRS

NATO—POSSIBILITY OF CHANGE IN CANADA'S COMMITMENT TO FORCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Prime Minister. It is sort of an epilogue to the very communicative question period of last Friday. Since the Prime Minister is in very good spirits today, possibly he can tell this House if he as head of the government going to the summit meeting in Brussels on NATO at the end of the month, will propose any change in Canada's commitment to the NATO force?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

[Mr. Trudeau.]

LAW OF THE SEA CONFERENCE—POSSIBILITY OF UNILATERAL ACTION TO PROTECT CANADIAN OFFSHORE RESOURCES IF CONFERENCE FAILS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that no consensus or agreement was reached at the Law of the Sea Conference in Geneva and the next conference will not be held until March 29, 1976, in New York City, does the government plan on waiting for a general agreement that may not come within our lifetime or does it plan on taking unilateral action to protect Canadian offshore interests?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I think I answered this question last week, namely that there was delivered at the conference on Friday the single negotiating text which is now under study. In many aspects, it seems to meet the objectives of the Canadian government. However, it is still a negotiating text. It has to be negotiated at the next meeting. If it were possible to implement these provisions with respect to the fisheries immediately, one would be much more relaxed, but that is not possible. In the meantime, the government will appraise the situation and will consider among the possible options the prospect of unilateral action. However, that prospect has not yet been considered by the government as a whole.

Mr. Crouse: How long is the government willing to wait in hopes of getting general agreement? Is the government willing to take concerted action with other countries which have similar interests and, if so, what are the names of those countries which have indicated an interest in co-operating with Canada on this important matter?

Mr. MacEachen: Mr. Speaker, obviously one of the possibilities is action in concert with a number of other countries. At the Law of the Sea Conference, there was comment that other countries might be considering action. However, no decisions have been taken. We will obviously be in touch with any countries which are interested. It is one of the possibilities which will be considered. I believe that my colleague, the Minister of State (Fisheries), has already stated that the upcoming ICNAF meeting will deal with the Canadian proposal calling for a considerable reduction in the annual take in that area. It would seem to be premature to consider any action of any kind until the results of that meeting are clear. However, Canada will be putting forward a proposal there for considerable reductions.

NUCLEAR NON-PROLIFERATION TREATY—INSISTENCE ON ADHERENCE TO TREATY BY COUNTRIES BUYING REACTORS ONLY IF FINANCIAL ASSISTANCE REQUIRED

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Will the minister explain statements made by him, both inside and outside the House last Friday, that where a Canadian reactor is being bought from Canada without Canadian financial assistance the government will not insist upon adherence to the non-proliferation treaty but that in cases where financial aid is required it will insist upon such adherence? Is not the danger of

diversion of nuclear materials to weapons the basis of the treaty, and is not the danger as great in one case as in the other? Why the inconsistency?

An hon. Member: Because he is a Liberal!

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I see no inconsistency in the position which has been taken by the government. With respect to any nuclear sales we apply uniformly the same bilateral safeguards irrespective of the country concerned. These safeguards have already been outlined by the Minister of Energy, Mines and Resources. So there is total uniformity.

With respect to membership in the NPT, we have stated that where the nuclear capability is being financed in part by Canada we shall ask for adherence to the treaty because in that situation it seems to me the responsibility of Canada is of a different character. In other cases, as has been stated, membership in the NPT will be an important factor to be taken into account but it will not be a pre-condition. That is clear, at least to me.

REQUEST FOR INVESTIGATION OF REPORTS ARGENTINA MAY BE SELLING NUCLEAR MATERIAL TO LIBYA

Mr. Andrew Brewin (Greenwood): It is beyond my comprehension why the treaty is a safeguard in one case and not important in the other. My supplementary is this: will the minister look into reports that Argentina, with which country we are negotiating the sale of a reactor or reactors, is giving consideration to supplying nuclear material to Libya? Having regard to the Libyan interest in nuclear weapons will the hon. gentleman look into this and advise the House what the government proposes to do about it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker.

[*Translation*]

RESUMPTION OF DIPLOMATIC RELATIONS WITH SOUTH VIET NAM

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I wish to put a question to the right hon. Prime Minister.

In view of the policy statement issued by the Prime Ministers of the Commonwealth concerning the possible recognition of the government of South Viet Nam on the one hand, and in view of the fact that the criteria established by the Secretary of State for External Affairs for such a recognition seem to have been fulfilled by the said government, that is the effective control of the country on the other hand, is the Canadian government considering the possibility of resuming shortly its diplomatic relations with South Viet Nam?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is a very important question and the government is studying it very carefully. For the time being, I cannot give the exact date when the minister will ask for the recognition of the government of South Viet Nam.

[*English*]

VIET NAM—POSSIBLE RECOGNITION OF NEW REGIME

Mr. R. Gordon L. Fairweather (Fundy-Royal): A supplementary, Mr. Speaker. Will the Government of Canada use the opportunity afforded by the seminar on Asia now being held in Montreal at which visitors from South Viet Nam on PRG passports were admitted to Canada to exercise the goodwill of the government and hopefully arrange for recognition of that country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

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TRANSPORT

POSSIBLE TERMINATION OF CONTRACT WITH CANADA STEAMSHIPS LINES BY CANADIAN NATIONAL AND CANADIAN PACIFIC—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, this question is addressed to the Minister of Transport. I believe the hon. gentleman is aware that the Canadian National and Canadian Pacific railways are terminating a long standing contract with the Canadian Steamships Line to move goods from eastern Canada to western Canada and I believe he has been in discussion with various representatives as to the terminating of the contract. I should like to ask the minister what state the negotiations have reached, or what conclusion the railways or the government have arrived at?

● (1430)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I should like some clarification before answering that question. Is the hon. member referring to the negotiations between CN, CP and Canada Steamships Line at Thunder Bay?

Mr. Murta: Yes.

Mr. Marchand (Langelier): If so, I have asked CN and CP to resume negotiations with Canada Steamships Line so that the conditions that pre-existed will exist in the future.

Mr. Murta: May I thank the minister for his answer and ask him whether he is aware that if the contract is discontinued the additional cost that will be borne by the receivers in western Canada will be quite substantial. In fact, for Manitoba alone we are talking in some cases in the neighbourhood of $160,000 to the receivers, so I hope that the minister will proceed along the lines of these negotiations and discussions.

Mr. Marchand (Langelier): Yes, I will do so.

Oral Questions

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—ALLEGED NEGOTIATIONS TO USE ROAD TRANSPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the minister. Is he aware of the fact that Canadian National is now negotiating to provide road transport to move goods from Newfoundland to other parts of Canada; and if this is so, would he explain how CN can provide this service in view of the deterioration of the Trans-Canada highway in Newfoundland and the lack of upgrading programs for this service? Not only that, but this will deny CN rail workers in Newfoundland their right to work. Would the minister explain that situation?

Mr. Speaker: Order, please. I think as all hon. members are aware, the Minister of Transport will be before the committee of the whole for two days, today and tomorrow, and perhaps this question, which will require rather expansive discussion, should be deferred until that time.

* * *

GRAIN

REQUEST FOR ASSURANCE CROWSNEST PASS RATES WILL NOT BE CHANGED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct my question to the Minister of Justice, reporting for the Wheat Board. It concerns the number of diverse and ambivalent statements made in western Canada, both by telegram to the premier of Saskatchewan from the Prime Minister and statements made by the minister himself with regard to the Crowsnest Pass freight rates.

In view of the ambiguity of those statements, may I ask the minister whether it is his intention to assure the House and the country that the Crowsnest Pass rates will not be changed, diminished or monkeyed with between now and the next election?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am happy to have the opportunity to repeat what in fact has been said in connection with the Crowsnest rates. Some little time ago, I did indicate at a meeting at Edmonton that there was some argument for a rate that better reflected real costs as between meat and grain in order to encourage the further processing of meat in Canada. I also indicated that that was in no way a proposal from the government but rather a matter that I was putting before the west as a matter of real interest to the west in so far as the further development of processing there is concerned. Some have since attempted to concern the farmers about this, because in my proposal I had indicated that it would have been my idea to maintain the benefits of the Crowsnest rates by transferring this sort of payment or assistance to the farmers more directly in some other fashion.

In order to ensure that there is no doubt at all in anybody's mind or no fear in anybody's mind about anything that this government is doing with regard to agriculture, I indicated that in my view the test whether such a change could be made was really dependent upon the will

[Mr. Marchand (Langelier).]

of the farmers themselves. I presume that the right hon. gentleman has his own conclusions about what that would mean at the present time. The fact of the matter is that it is above all clear that what the government is trying to do is to assure the best possible handling and transportation system that money can buy, the best possible income for the farmers, and the maximum number of farmers on our farms in the prairie provinces.

Mr. Diefenbaker: Mr. Speaker, may I suggest to the minister that the ambivalence has certainly been increased by that so-called statement. Let me ask him, why does he not say that there would be no interference or monkeying with the Crowsnest agreement rates? Why does he not say that simply and clearly, instead of a multitude of words chasing an idea that turns out to be as uncertain as the course of the government has been in this connection for months?

Mr. Lang: Mr. Speaker, I think that if the hon. gentleman re-reads my statement he will understand that this government is always open to new ways to help the farmers even more. That is the only qualification that I make to the flat statement that, as far as I am concerned, the Crowsnest Pass rates are here to stay.

Mr. Diefenbaker: A final supplementary question, Mr. Speaker. Knowing the embarrassment of the minister and the government regarding this matter, may I ask the minister simply: Can he not give the assurance that there will be no interference with the charter of the western farmers in so far as freight rates are concerned, instead of circumlocuting the whole problem and failing to give an answer, which failure indicates that a change is ahead?

Mr. Lang: Mr. Speaker, I do not know that any answer could have been much clearer than the one I gave a moment ago.

Some hon. Members: Oh, oh!

Mr. Lang: I would point out to the right hon. gentleman that many people in the west are convinced of the fact that inequity in freight rates between meat and grain is a serious disadvantage to the west. Therefore, this leads to further questions and considerations.

I point out to the right hon. gentleman that in any statements that I have made which have been in relation to my own proposals and ideas, the notion of preserving the benefits to the west and the prairies of the Crowsnest rates has been foremost. I should like to ask him how anyone in any way can reasonably suggest that there can be any harm to anybody if these benefits are preserved and a better way is found to deliver to the farmers, so that more farmers in fact have a better income on the prairies.

Mr. Diefenbaker: Mr. Speaker, I must say it is a little unusual for a minister of the government to ask a question of a private member, but since the minister has done so I will answer it. I would not monkey with the Crowsnest Pass agreement as the government is intending to do.

Mr. Lang: Mr. Speaker, it is also obvious that during his time as Prime Minister the right hon. gentleman did not

monkey very much with the freight rates, or with all the inequities in them either.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

INFLATION—SUGGESTION GOVERNMENT SHOULD EXERCISE RESTRAINT IN EXPENDITURES

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, my question is for the Prime Minister in the absence of the Minister of Finance. The Minister of Finance, it is reported in the toughest speech of his political career, has stated that Canadians who refuse to co-operate with the government's voluntary restraint program are forcing him to take harsh economic action. In his own words, it is "restraint or else".

In view of the fact that Canadians are looking for leadership in this area, would the Prime Minister say specifically what steps the government has taken to show restraint, particularly in government expenditures, which might be used as an example to all Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would take a very long statement from me to indicate that.

Mr. Hees: You could do it in 15 seconds and say nothing.

Mr. Stevens: Name one.

Mr. Trudeau: Very well, I will name one. There is, for instance, the action we took on the Veterans' Land Act, which the opposition refused to support every time we brought it forth.

Mr. Bawden: Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact that the government's original estimates for 1975-76 spending were 28 per cent higher than last year's original estimates, and in view of the fact that government policy and its own spending is the principal cause of inflation, would the Prime Minister say whether the problems Canada is facing today were unforeseen to him and his government at the time these recent huge increases in government spending were projected?

● (1440)

Mr. Trudeau: Mr. Speaker, I disagree with the premises. I think they are both false, therefore I cannot agree with the conclusion.

* * *

MULTICULTURALISM

DATE OF REPORT OF CANADIAN CONSULTATIVE COUNCIL

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the minister in charge of multiculturalism, but in view of his absence perhaps I might direct it to the Prime Minister. On March 3, 1975, the minister stated that the report by the Canadian Consultative Council on multiculturalism would be released in the near future. Will the Prime Minister ask that minister to indicate to the House when this report will be published and whether he intends to table it in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister is presently meeting with the CLC in Toronto.

Mr. Paproski: What has that to do with multiculturalism?

Mr. Trudeau: I would gladly refer the question to him, Mr. Speaker.

* * *

ENERGY

SYNCRUDE—APPOINTMENT OF BRUCE WILSON TO LOOK AFTER GOVERNMENT'S INTEREST—POSSIBLE CONFLICT OF INTEREST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources a question regarding a report that Mr. Bruce Wilson has been appointed for an indefinite period to look after the government's investment in Syncrude. Is this a temporary appointment until the National Petroleum Corporation takes over this responsibility, or is Mr. Wilson to continue this function when PetroCan is set up and is responsible for the federal government's investment in Syncrude?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the government's intention in appointing Mr. Wilson, who is now a consultant in this field, was to provide for an experienced executive on an interim basis to look after the government's interest in Syncrude. I regret to say that late last week Mr. Wilson underwent very serious surgery, and it looks very much as though he will not be able to continue in this function, in which case we will have to seek some other assistance on an interim basis until parliament has given us the authority to go ahead with Petro-Canada.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that Mr. Wilson, whose indisposition we all regret, was a former president of Canadian Bechtel Limited, a former vice-president of the Bechtel Corporation in the United States, and with Canadian Bechtel Limited as chief contractor in the Syncrude project, will the minister assure us that Mr. Wilson is not going to be the government watchdog in a situation in which he has formerly had a very deep vested interest? It seems to me this would be very much like putting a weasel in the henhouse in order to protect the chickens.

Mr. Macdonald (Rosedale): Mr. Speaker, I think if the hon. gentleman made a few inquiries in the trade he would find that the relationship between Mr. Wilson and Canadian Bechtel is such that there would be very little love lost between the two of them.

Oral Questions

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ST-FÉLICIEN—REQUEST FOR AID TO ESTABLISH PULP AND PAPER INDUSTRY

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to put a question to the hon. Minister of Regional Economic Expansion.

For exactly 12 years the government of Quebec has been promising the establishment of a pulp and paper mill in Saint-Félicien in the riding of Roberval. Can the Minister tell the House whether a grant to the Donohue Company has been formally applied for, through the Quebec government, for the building of such a plant?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): To the best of my knowledge, Mr. Speaker, the answer is no, up to the present time except in very rare circumstances, such as those that existed in one location in Quebec a year or so ago, it has not been the policy of my department to invest or become involved in new pulp and paper enterprises as such. However, there is a supplementary agreement in place between the government of Canada and the government of Quebec relating to the forest industry in general, and it is possible that some form of aid might be available under that kind of program. I will make some inquiries and advise the hon. member.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary.

Would the minister check at the same time whether it is true, as the rumour has it in Quebec, that the federal government is delaying the project?

[*English*]

Mr. Jamieson: I will certainly check on that, Mr. Speaker. To the best of my knowledge such delay is not the case, but I will refrain from being specific on that until I have had a chance to check.

* * *

FINANCE

REASON FOR DELAY IN ESTABLISHING FEDERAL MORTGAGE EXCHANGE CORPORATION

Miss Flora MacDonald (Kingston and the Islands): In the absence of the Minister of Finance, Mr. Speaker, I should like to direct my question to the Prime Minister.

An hon. Member: Good luck.

Miss MacDonald (Kingston and the Islands): Given the depressed state of the mortgage market, can the Prime Minister explain why his government continues to procrastinate about setting up the Federal Mortgage Exchange Corporation which was legislated over a year and a half ago to provide a secondary mortgage market that would undoubtedly help attract mortgage investments into residential mortgages at this critical time?

[Mr. Macdonald (Rosedale).]

Right Hon. P. E. Trudeau (Prime Minister): I will inquire as to what the nature of the difficulties are, Mr. Speaker.

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CANADIAN BROADCASTING CORPORATION

OBJECTIONS TO RE-SHOWING OF PROGRAM ENTITLED "ENCOUNTER WITH CANCER"—GOVERNMENT POSITION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Secretary of State whether he has received any objections from the Prince Edward Island division of the Canadian Cancer Society, or from the Canadian Cancer Society itself, regarding the re-showing next Sunday by the CBC of a program entitled "Encounter with Cancer"?

Hon. James Hugh Faulkner (Secretary of State): Yes I have, Mr. Speaker. As I said last week, I made those representations known to the corporation, but I believe the corporation still intends to show it and has a defence of its decision. I will be pleased to table it in the House tomorrow.

Mr. Diefenbaker: It is a scandalous thing.

Mr. MacLean: Mr. Speaker, I should like to ask the Secretary of State if he has advised the CBC that it should seek advice as to whether the point of view put forward in programs of this sort are valid and agree with the policy of the Department of National Health and Welfare and such concerned bodies as the Canadian Cancer Society?

Mr. Faulkner: Mr. Speaker, without giving them my advice, I have been assured that they have in fact followed that course, and they do so traditionally.

* * *

INDUSTRY

SYSCO—REQUEST FOR ASSURANCE NO FURTHER LAY-OFFS—GOVERNMENT ACTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question for the Minister of Industry, Trade and Commerce is another in a series I have posed regarding lay-offs at the Sysco plant in Sydney, the possibility of aid from his department and so on. In my last question I asked if there had been a commitment that there would be no further lay-offs at the Sysco plant. The minister very kindly said he would seek that assurance. Is he in a position today to advise whether he received that assurance and what the future holds?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, no such assurances were volunteered by the company when its official visited my department to discuss this question. The outlook for the company continues, of course, to be somewhat uncertain because of a slowdown within the industry and, indeed, on a world basis. I would suggest to the hon. member that he might like to put the same question to the Premier of Nova

Scotia, in view of the fact the government of Nova Scotia owns and controls the plant.

Mr. Muir: Mr. Speaker, in view of the fact the minister might have better liaison with the Premier of Nova Scotia than I do, I wonder if he might impress upon him that at the moment we have unemployment running at the rate of 15 per cent to 20 per cent on Cape Breton Island and we just cannot stand anymore? I would hope that the minister and his government along with the Prime Minister would impress that fact upon the Premier of Nova Scotia.

Mr. Gillespie: Mr. Speaker, if the hon. member has difficulty getting through to the Premier of Nova Scotia, I would be very pleased to convey that message.

Mr. Muir: I will expect an answer, too.

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TRADE

REQUEST FOR TERMS AND CONDITIONS OF $500 MILLION LOAN TO U.S.S.R.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I wonder whether the Prime Minister would indicate if it is intended to inform the House of the terms and conditions of the recently announced $500 million loan to the U.S.S.R.?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is a question which I believe was or should be addressed to the Minister of Industry, Trade and Commerce.

Mr. Yewchuk: Mr. Speaker, may I redirect the question to the Minister of Industry, Trade and Commerce?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I was talking to another member, so I wonder whether the hon. member would repeat his question.

Mr. Yewchuk: Mr. Speaker, I was wondering whether it is the intention of the minister to outline the terms and conditions of the $500 million loan to the U.S.S.R. announced last week?

Mr. Gillespie: Mr. Speaker, this is the largest foreign credit which the Export Development Corporation has extended to a foreign power. It is to run for a period of 30 months and it requires that within the first 18 months approximately $250 million be committed—

Mr. Speaker: Order, please. The question was quite valid in that it asked whether the minister intended at some time to inform the House about the terms and conditions of the loan. He seems to be prepared to do so, but it certainly is not the time for that now.

● (1450)

Mr. Yewchuk: Can the minister tell us whether or not it would be classified as a soft loan?

Mr. Gillespie: No, Mr. Speaker, it is fully competitive with international rates.

Oral Questions

FINANCE

INQUIRY AS TO DATE OF BUDGET

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Prime Minister and it is with regard to the date of the budget. Can the right hon. gentleman advise the House whether he is sufficiently in the confidence of the Minister of Finance to be able to advise the House if the minister will be in the House tomorrow to announce June 2 as the date of the budget so that the country will know when they can look forward to some form of relief and help?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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POST OFFICE

COMPLAINT ABOUT SLOW SERVICE—GOVERNMENT ACTION TO RECTIFY

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is addressed to the Postmaster General. In view of the fact that Van Horne moved a division of troops from Ottawa to Winnipeg in 1885 in less than 10 days when three major sections of the railroad were as yet incomplete, does the Postmaster General approve of the fact that it now takes 18 days for bulk mail leaving central Ontario to arrive at Camrose, Alberta? Moreover, does he approve of his special assistant writing to constituents telling them if they do not like the bulk rate service they had better switch to first class mail?

Hon. Bryce Mackasey (Postmaster General): No, Mr. Speaker, I am no more happy about the fact that Van Horne could move faster than we do today than I am about the fact that our first Canadians had a better service by smoke signals than we have at times.

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INDIAN AFFAIRS

DATE OF SIGNING OF HEAD LEASE WITH WESTBANK INDIANS

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the length of time the Westbank Indians have been waiting for approval of the development of their land and as the minister has said he will sign the necessary head lease document, can he say now when he will sign it?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I share the hon. member's concern at the length of time taken to get these documents straightened away. However, I am happy to report that the head lease was signed on May 8 of this year.

Oral Questions

AGRICULTURE

FERTILIZER—JUSTIFICATION OF PRICE INCREASES

Mr. John Wise (Elgin): Mr. Speaker, my question is directed to the Minister of Agriculture. It is with reference to the fertilizer situation and concerns price rather than supply. From answers to earlier questions and from discussions with dealers, it would appear that short supply is not really a problem in general, but I wish to ask the minister whether he is satisfied that the recent price increases are in fact justified and, if not, what action, if any, he intends to take.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know whether the hon. member has any new information on price increases, but the latest figures I was given last week showed some price decline in some brands of the fertilizer.

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FISHERIES

POSSIBILITY OF PROGRAM TO ASSIST FRESHWATER AND INLAND FISHERMEN

Mr. Cecil Smith (Churchill): My question is for the Minister of Fisheries. Following the minister's announcement of a $50 million program to assist the ground fish industry of Canada, can the minister advise the House whether consideration has been given to a similar program to assist the fresh water and inland fishermen of Canada?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, some days after this announcement was made further details were released to the effect that we would be assisting the fishermen with deficiency payments for mullet and lower qualities of white fish which are filleted. We are watching the freshwater fish situation very closely in terms of marketing. I should say that prices to fishermen will thus keep up pretty well with the trend in the past years which was fairly good.

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AIRPORTS

REASON FOR FAILURE TO PROVIDE SECURITY CHECKS AT PRINCE GEORGE

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Transport. In view of the interest shown by the government in beefing up the security procedures at Vancouver International airport following my question in the House last month, can the minister tell us why the government seems to feel that some passengers are not entitled to security protection since passengers boarding jet liners at some British Columbia airports, such as Prince George, are not required to submit to any security checks whatever?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will have to inquire into this matter.

[Mr. Buchanan.]

EDUCATION

ALLEGED BYPASSING OF COMMUNITY COLLEGES IN SEEKING INFORMATION ON SOCIAL PROGRAMMING

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Secretary of State. When contracting educational institutions for information and guidance concerning social programming, has the minister changed his policy by limiting inquiries to universities, thereby bypassing community colleges?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not sure I understand the question. Perhaps I can talk to the hon. member after the question period.

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PUBLIC SERVICE

ALLEGED REFUSAL TO ALLOW MICHAEL PITFIELD TO BE QUESTIONED BY COMMITTEE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Cossitt: It arises from the fact that apparently he has placed Michael Pitfield beyond the control of questioning by a parliamentary committee. I would like to ask the Prime Minister—

Mr. Speaker: Order, please. The hon. member has made reference to this question a couple of times in the last two sittings. Surely, the proper place to question officials about who appears or who does not appear before the committee is the standing committee and not the House. The hon. member for Esquimalt-Saanich.

Mr. Cossitt: I rise on a point of order, Mr. Speaker.

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IMMIGRATION

REQUEST FOR DETAILS OF COST SHARING ARRANGEMENT WITH QUEBEC FOR OFFICES ABROAD

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I should like to direct my question to the Minister of State for External Affairs. Considering that the province of Quebec is the only province which occupies federal office space abroad, can the minister explain to the House what cost sharing arrangement has been made between the two levels of government in order to provide this interesting method of recruiting Canadian immigrants, particularly at a time when the parliamentary inquiry into the whole matter of immigration is underway?

Hon. Otto E. Lang (Acting Minister of Manpower and Immigration): Mr. Speaker, let me answer as Acting Minister of Manpower and Immigration. Some time ago an agreement was signed between the province of Quebec and Canada in connection with co-operative action be-

tween the two governments to improve the flow of immigration and the way in which immigrants are met and dealt with as they approach this country. I will be glad to obtain for the hon. member exact details with regard to the cost, which is a rather complicated matter.

Mr. Munro (Esquimalt-Saanich): Can the minister say whether these facilities will be extended to all provincial governments on request?

Mr. Lang: Yes, Mr. Speaker. The special initiative which the province of Quebec showed prior to the 1971 agreement would certainly be responded to by us in the same way with regard to other provinces.

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THE CANADIAN CONSTITUTION

ALLEGED ASSERTION OF JURISDICTION IN CERTAIN FIELDS BY QUEBEC—POSSIBLE DISCUSSION BETWEEN PRIME MINISTER AND PREMIER BOURASSA

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the right hon. Prime Minister. Has the Premier of Quebec discussed with the right hon. Prime Minister, in preparation for the nationalization and repatriation of the constitution, his assertion that certain fields, such as communication and immigration, be given to Quebec in order to assert what he calls cultural sovereignty in economic federalism?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have read the statement in the paper like every one else.

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NORTHERN AFFAIRS

REASON FOR DELAY IN GRANTING PERMITS TO OIL COMPANIES IN NORTHWEST TERRITORIES

Mr. Jim Balfour (Regina East): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Is it government policy that oil companies which have had applications for permits in the Northwest Territories pending in his department for the past four or five years, companies which have done substantial exploration work on such lands, will be denied priority in acquiring permits on those lands?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the hon. member indicated, this problem has been outstanding for the last four or five years. It is the question of oil and gas regulations on which we have not yet brought appropriate legislation to the House and the matter raised will be covered at that time.

DATE OF ISSUANCE OF OIL AND GAS REGULATIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the speech delivered by the minister in Calgary, to which I listened carefully, and the uncertainty of his answer today, can he advise when those regulations will be produced, what legislation will be brought forward and when?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): As I indicated in my speech, it is my hope that it will be in the early part of the fall.

Mr. Marshall: Mr. Speaker, I rise on a question of privilege to reply to a statement made by the Prime Minister (Mr. Trudeau). If the only example he can find of the government practising restraint in spending is the phase-out of the Veterans Land Act, I say that it not only is a slight to the veterans of Canada, but if that is the only example of restraint then God help Canada!

Mr. Speaker: Order, please. The hon. member may have a valid complaint that is a subject of debate, discussion or commentary at some time, but it surely does not constitute a question of privilege or a point of order.

Mr. Cossitt: Mr. Speaker, I rise on a point of order arising from the question I attempted to ask a few moments ago with regard to the fact that the Prime Minister (Mr. Trudeau) had refused to allow Michael Pitfield to be questioned by the Standing Committee on Miscellaneous Estimates.

● (1500)

I rise primarily to seek direction from the Chair as to where a member can raise a matter of this kind. We are not, apparently, allowed to raise it in committee because the gentleman in question is not there. As a member, I raise a very legitimate question as to why the top public servant in Canada is being hidden from parliamentary examination and, indirectly or directly, the expenses of the offices of the Prime Minister and of the Privy Council, because we cannot talk to this deputy minister like we can all other deputy ministers. I feel that I have a very legitimate point of order in seeking direction as to how this matter can be brought to the attention of parliament and the people of Canada for proper examination of the very lavish and luxurious expenses being indulged in for the offices of the Prime Minister and of the Privy Council and the residence of the Prime Minister at 24 Sussex Drive without proper examination by parliament.

I feel that parliament has every right to examine this matter, but for one reason or another the Prime Minister seeks to block the right of parliament to know why he is spending public money on certain things. I should like to receive some direction as to where, as a private member of this House, I can raise these very legitimate questions.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. As I indicated when the hon. member raised the question, surely when the estimates of the Prime Minister's office or the Privy Council are before the standing committee—which I understand will be later this day—questions of that sort can be raised. Questions concerning all those items can be directed to whichever member of parliament is there in his representative capacity or responsible capacity, either a minister or a parliamentary secretary, because it is the responsibility of

the minister and he assumes that responsibility to answer such questions.

If there is a refusal to answer those questions in the committee, on examination of the estimates, that refusal may warrant consideration at a later time in the form of a complaint or grievance, or perhaps a question of privilege; I do not know. The fact of the matter is that until such time as a representative member of the government refuses to attend or refuses to answer questions in respect of the estimates, up to that point surely no questions can be put in this House about those matters.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fifth report of Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

REGIONAL DEVELOPMENT

Third report of Standing Committee on Regional Development, in both official languages—Mr. Pelletier (Sherbrooke).

[*Editor's note: For texts of above reports, see today's Votes and Proceedings.*]

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[*English*]

EXTERNAL AFFAIRS

TABLING OF FINAL COMMUNIQUÉ OF COMMONWEALTH CONFERENCE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41(2) I should like to table, in both official languages, the final communiqué of the recent meetings of Commonwealth heads of government in Kingston, Jamaica.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,573, 1,935, 1,940, 1,949, 1,962, 1,973, 1,975, 1,976, 2,202 and 2,221.

Mr. Speaker, if question No. 554 could be made an order for return, this return would be tabled immediately.

[Mr. Speaker.]

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

AGE DISCRIMINATION IN EMPLOYMENT

Question No. 1,573—**Mr. Herbert:**

1. With reference to the answer to Part 1 of Question No. 251 was it stated in a letter dated May 1, 1974 for the office of the Minister of Manpower and Immigration that "for a number of years an educational campaign has been conducted, aimed at reducing or eliminating age discrimination in employment"?

2. With reference to the answer to Part 2 is it known that age discrimination is practiced by a requirement that new employees participate in compulsory company pension plans which have maximum age limits for new entrants?

3. (a) Is the responsibility for these pension plans mainly in a provincial jurisdiction (b) what means are available to the government to deal with this situation?

4. Is age discrimination often practiced through the requirement of compulsory participation for new employees in medical plans where high standards are maintained for the purpose of cost saving to the companies?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Manpower and Immigration and Labour as follows: 1. Yes. Although no formal campaign has been conducted recently, the department, through its Canada Manpower Centres, continues a campaign to persuade employers to eliminate all forms of discrimination, including age.

2. Some compulsory company pension plans contain maximum age limits for new entrants.

3. (a) Age limits for new entrants are found in pension plans under both federal and provincial jurisdictions. Information is not available on the distribution of these plans between provincial and federal jurisdictions. (b) The governments of Canada and some provinces are developing amendments to their labour codes which would remove discrimination based on age, sex and marital status from pension and insurance plans.

4. Information not available.

SUPPLY AND SERVICES—STATION WAGONS FOR BROADCASTING PURPOSES IN TANZANIA

Question No. 1,935—**Mr. Reynolds:**

Were four Toyota Land Cruise Station Wagons purchased by Department of Supply and Services to be used for broadcasting purposes in Tanzania at a cost of approximately $60,000 each and, if so, what is the reason for the cost?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): A contract was placed on behalf of CIDA on October 18, 1973, for four Toyota Land Cruiser Station Wagons at a cost of $4,901 each, and a range of operating and maintenance spares valued at $5,356.92 for a total cost of $24,960.92 for vehicles and spare parts. In addition, supply, fitment and testing of broadcasting or recording equipment, complete with spares and instruction manuals as well as base-station equipment and spares, was contracted for separately at $268,000.

SUPPLY AND SERVICES—CONTRACT TO ATLAS STEELS COMPANY

Question No. 1,940—**Mr. Reynolds:**

Did the Department of Supply and Services award a contract valued at $303,314 to Atlas Steels Company, a division of Rio Algom Mines Limited, Welland, Ontario, for the modification of one of the company's electric furnaces and, if so, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Yes. This contract was awarded for the development of new technology to smelt iron oxide pellets using significantly reduced amounts of electrical energy. The objective is to make the results available to all Canadian stell manufacturers and reduce Canada's dependence on imports of ferrous scrap. The requisitioning agency is the Department of Energy, Mines and Resources.

SUPPLY AND SERVICES—PURCHASE OF AERIAL CAMERAS

Question No. 1,949—**Mr. Reynolds:**

Was a contract issued for the design, development and supply of two handheld aerial cameras for $150 thousand approximately and, if so, was any consideration given to similar cameras available on the market at a fraction of the price?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Yes. All potential suppliers were made aware of this pending procurement and the minimum performance requirements of the Department of National Defence. The enquiry specified existing equipment but none was offered and only Ernst Leitz (Canada) Ltd. offered to develop and supply the complete camera.

SUPPLY AND SERVICES—CONTRACTS FOR TURBINE FUEL

Question No. 1,962—**Mr. Reynolds:**

1. Were two separate contracts issued to Imperial Oil Ltd., Ottawa, Ontario and Gulf Oil Canada Ltd., Toronto, Ontario on April 2, 1974 and, if so, what was the rate charged by each per gallon?

2. For what reason were both contracts not negotiated at the same time with the Gulf Oil Company?

3. Does such purchase indicate coordination of the purchasing aim affecting such fuels?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. A contract dated March 14, 1974 was awarded to Imperial Oil Limited, Ottawa, and contracts dated March 13 and 14, 1974 were awarded to Gulf Oil Canada Limited, Toronto, for the supply of turbine fuel to Canadian Forces Bases in western Canada and the maritimes as required during the period June 1, 1974 to May 31, 1975. The news releases covering these awards were dated April 2, 1975. The price per gallon depended on the specification of the fuel, quantity, source, delivery point and method of delivery. The price per gallon varied from $0.2201 to $0.4826.

2. Gulf Oil Canada Limited did not submit bids for supply of fuel to ten of the 13 bases.

3. Yes. The annual DND requirement for aviation turbine fuel was consolidated into invitations to tender by geographical areas. In this instance, one invitation to tender was for Canadian Forces Bases in eastern Canada and the other western Canada bases. Six firms were invited to tender for the eastern requirement but only Gulf Canada and Imperial Oil submitted bids. Gulf Canada was the sole bidder for the supply of fuel to bulk storage for one base, while Imperial Oil was the sole bidder for the remaining five bases. Contracts were awarded accordingly. Seven firms were invited to tender for the supply of turbine fuel to seven sites in western Canada. Only Gulf Canada and Imperial Oil submitted bids for two locations, of which Gulf was the lower bidder and was awarded the contract. Imperial Oil was the sole bidder for the remaining five locations and was awarded the contract.

SUPPLY AND SERVICES—REPAIR AND OVERHAUL OF MISCELLANEOUS HYDRAULIC MATERIAL

Question No. 1,973—**Mr. Reynolds:**

What are the details of two contracts awarded June 27, 1974 to Heroux Ltd, Longueuil, Quebec for the repair and overhaul of miscellaneous hydraulic material?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Contract 1: To cover the cost of servicing forecasted repair and overhaul hydraulic DND requirements during the fiscal period April 1, 1974 to March 31, 1975. Contract 2: To cover the cost of accountable advance spares ordered during the period April 1, 1974 to March 31, 1975 for use in contracts 1 and follow-on contracts.

SUPPLY AND SERVICES—AIRCRAFT OVERHAULING

Question No. 1,975—**Mr. Reynolds:**

1. Was a contract awarded May 16, 1974 to I.M.P. Aerospace Ltd., Dartmouth, Nova Scotia for aircraft reparations costing $413,000?

2. Under the terms of the contract, what does "sampling inspection" of one C.P. 121 aircraft mean?

3. To what degree were the four C.P. 121 Tracker aircraft overhauled?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. The contract item "sampling inspection" is an in-depth inspection of an aircraft at a pre-determined number of flying hours to provide maintenance data from which management determines the level of overhaul to be carried out on the aircraft fleet until the next sampling inspection is performed.

3. The work performed on the four C.P. 121 aircraft involved dismantling for inspection, and repairing as found necessary, specific areas and systems of the aircraft (selected through previous sampling inspections) using techniques and facilities available only at the designated overhaul depot.

SUPPLY AND SERVICES—RENTAL OF TARIFF EQUIPMENT

Question No. 1,976—**Mr. Reynolds:**

1. Was a contract awarded June 25, 1974 to the New Brunswick Telephone Company, Saint John, New Brunswick for the rental of tariff equipment for a period extending from April 1, 1974 to March 31, 1975?

2. Was there a delay of three months in awarding the contract after operation was underway and, if so, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes, a contract was issued on May 23, 1974. The news release was dated June 25, 1974.

2. The contract covers the ongoing rental of services initially provided in prior years. There was an approximate eight week delay between the expiry on March 31, 1974 of the similar contract covering fiscal 1973-74 and the insuance of this renewal contract. The delay was primarily due to the heavy contract renewal workload which arises each year in March and April as a result of the government fiscal year end on March 31.

INDIAN AFFAIRS—SETTLEMENT OF LAND CLAIMS IN TREATY AND NON-TREATY AREAS

Question No. 2,202—**Mr. Firth:**

1. Is the Department of Indian Affairs and Northern Development presently negotiating with individual Indian bands to settle land claims in treaty and non-treaty areas and, if so, with which bands?

2. Is it the Department's intention to extinguish Native peoples' rights and Native title to lands through land claims settlements?

3. (a) What amount of money is transferred to provincial governments for providing education to Native people (b) which provinces are party to such agreements (c) how much was received by each such province in the fiscal years 1970-71, 1971-72, 1972-73, 1973-74 and 1974-75?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Preliminary discussions or negotiations concerning comprehensive land claims arising in areas where it is alleged that native title has not been extinguished by treaty or superseded by law are being carried out with the Union of British Columbia Indian chiefs, the Nishga Tribal Council, the Kitwancool Indians, the Haida Indians, the Council for Yukon Indians and the Crees and Inuits of northern Quebec. Preliminary discussions or negotiations concerning claims relating to the administration of land and other Indian assets under the Indian Act and to the fulfilment and interpretation of Indian treaties are being carried out with the Enoch Band, Stony Band, Edmunston Band, Sydney Band, Union of Nova Scotia Indians and Wagnatcook Band. The department is also negotiating with some bands which have outstanding entitlement to land under treaties. Active negotiations have been going on with the Garden Hill, Red Sucker Lake, St. Theresa's Point and Wasagamack Bands in Manitoba, with the Peter Ballantyne, Fond du lac and Stoney Rapids Bands in Saskatchewan and the Cree Band of Fort Chipewyan in Alberta.

2. In comprehensive land claims it is the intention that native title would be extinguished in return for the compensation that may be agreed upon in negotiations or in any settlement legislation that might be applicable.

3.	1970–71* 000's $	1971–72 000's $	1972–73 000's $	1973–74 000's $	1974–75 000's $
Maritimes		87	—	—	232
Quebec		332	260	114	—
Ontario		803	771	409	253
Manitoba		2,788	1,484	1,403	506
Saskatchewan		392	584	561	115
Alberta		348	652	1,006	591
British Columbia		630	1,026	400	203
	8,836	5,380	4,777	3,893	1,900

*Not available by province for fiscal year 1970–71.

PROJECTS UNDER AGREEMENT SIGNED BY MINISTER OF REGIONAL ECONOMIC EXPANSION AND QUEBEC

Question No. 2,221—**Mr. Lambert (Bellechasse):**

Since the signing of the umbrella agreement relating to development on March 15, 1975 by the Minister of Regional Economic Expansion and the Minister responsible for the Quebec Planning and Development Bureau, to date (a) how many projects have been submitted (b) how many were accepted (i) in what localities (ii) in what amount?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: The General Development Agreement, signed in March 1974, between the Department of Regional Economic Expansion and the government of Quebec permits the conclusion of subsidiary agreements negotiated on a sectorial development basis. The projects which could be included in such a subsidiary agreement are not all presented directly to DREE, but often to the provincial ministry concerned or to the Quebec Planning and Development Bureau. We do not, therefore, have at out disposal the list of all the projects submitted at any given time. Taking into account the development priorities of each industrial sector in the various regions of Quebec and the objectives defined in the General Development Agreement, a list of projects is drawn up and becomes the starting point of negotiations aimed at the conclusion of a subsidiary agreement. The subsidiary agreements signed to date between Quebec and Canada are as follows: 1. March 15, 1974—Canada-Quebec Subsidiary Agreement on the Financing of the 1974-1978 SIDBEC Expansion Plan. Place: Contrecoeur, Quebec. Grand Total: $181,000,000. Breakdown of expenditures: Canada: $30,000,000; Quebec: $151,000,000.

2. September 13, 1974—Canada-Quebec Subsidiary Agreement on Key Highway Networks (construction of the steel route, Autoroute A-30, between Montreal and Sorel). Grand Total: $43,435,000. Breakdown of expenditures: Canada: $26,265,000 Quebec: $17,170,000.

3. March 26, 1975—Canada-Quebec Subsidiary Agreement on Industrial Infrastructure. This agreement is divided into three groups: a) Industrial parks: Haut-Saguenay, $3,600,000; Sherbrooke, $13,400,000; St-Romuald, $1,100,000; Drummondville, $5,000,000; Victoriaville, $2,000,000; Rimouski, $2,200,000; Rivière-du-Loup, $1,200,-000; Rouyn-Noranda, $1,000,000; Total $29,500,000; b) Fishery parks: Paspébiac Cap-aux-Meules; Rivière-au-Renard; Grande-Rivière; Norht Shore; Total $14,000,000; c) Important industrial projects (sites to be determined), $12,000,-000; Reserve, $4,500,000; Total: $16,500,000; Grand Total: $60,000,000; Breakdown of expenditures: Canada: $36,000,-000; Quebec: $24,000,000.

4. March 26, 1975—Canada-Quebec Subsidiary Agreement on Access to Forest Resources. a) Saguenay/Lac-St-Jean/Chibougamau: Chapais, Frotet Lake and Waconichi

Lake; Bras du Nord, Bourgat Lake, Margonne Lake, Total $5,812,000; b) Northwestern Quebec; Quévillon-Matagami, Canica Island, Valet Lake, Ponteneau Township, Mazarin, Villebois and Bourque Townships, Claire and Lanoue Townships, Val d'Or-Laforce, Alfred Lake—Rapide Sept and Témiscamingue, Waswanipi Lake and Kokomis Lake Total: $12,703,000; c) North Shore: Sacré-Coeur, Outardes Crown forest; Du Tonnerre and St-Jean Rivers; Natashquan, Labrieville; total: $5,685,000; Grand total: $24,200,000; Breakdown of expenditures: Canada $14,520,000: Quebec: $9,680,000.

* * *

QUESTION PASSED AS ORDER FOR RETURN

DEPARTMENT OF MANPOWER AND IMMIGRATION—RESEARCH EXPENDITURES

Question No. 554—**Mr. Symes:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 by the Department of Manpower and Immigration on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

Mr. Speaker: Order, please. I understand that there have been discussions about proceedings in the committee. This matter will be dealt with by the Chairman as soon as the committee session begins. Pursuant to Standing Order 58(9), I do now leave the chair for the House to go into committee of the whole.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58

House in committee of the whole to consider certain items of the estimates for the year ending March 31, 1976, pursuant to the provisions of Standing Orders 58 and 59—Mr. Penner in the chair.

DEPARTMENT OF TRANSPORT

Vote 1—Headquarters—Operating expenditures including reimbursement of the Ministry of Transport revolving fund in the amount of $200,000 for the value of stores which have become obsolete, unserviceable, lost or destroyed and authority to spend revenue received during the year, $18,467,000.

Mr. Sharp: Mr. Chairman, as a result of our experience on Friday, when there was some confusion, there have been discussions through the usual channels and I should like to make some suggestions. I think I speak on behalf of the House leaders of the various parties with regard to our proceedings today and tomorrow. It is suggested that the

Minister of Transport will not make a statement at the opening of the proceedings but that at 9.15 p.m. tomorrow he will be recognized for a 15 minute statement in summing up. A member of the opposition will then be recognized to conclude the two-day debate before the remaining votes are taken.

The minister's time in replying to questions is not to be counted as time taken by Liberal backbenchers; but on the other hand, speaking for this side of the House, we will not claim that Liberal backbenchers should have exactly the same time as all the opposition parties put together. Discussion, I suggest, should be divided into 15 minute units. A member may speak for ten minutes in developing questions, and the minister would have five minutes to respond or, alternatively, the minister and the member may engage in a 15 minute direct question and answer period. Of course, if a member so desires and does not expect or want a ministerial response, he may merely make a speech for that 15 minute period. Once a member of any party has used the 15 minute period, he will not be recognized again unless there are no other members of his party wishing to participate at that time.

Mr. Baldwin: Mr. Chairman, the hon. gentleman has correctly stated the understanding we have reached. There will still be problems which Your Honour may have to contend with, but may I say in one or two sentences that have attempted to marry the old committee of supply to the other system under which we have been operating. Whether the result of that marriage will be a bastard or a child of some consequence, I do not know as yet; but it is going to throw some burden upon the Chair.

I just wish to make the point that in the old days committee of supply was all carried out on government time and ministers were in the position of having to be exceedingly nice to members of the opposition in order to get their estimates through. Unfortunately, those days are gone forever and they do not have to be nice to us any more—although I hope the Minister of Transport will be.

We are looking at a series of miniature, 15-minute capsule debates on certain issues and it is hoped that it will be realized that opposition days are being given up for this purpose. While I agree completely with the President of the Privy Council that government members who feel courageous enough, or have some issue to take up with the government, should have the right to do so, I hope that recognizing them will not mean that they will simply be here to take time away from the opposition.

Those are the points I wished to make. This experiment could be very successful and could bring us a long distance in recovering the ground we lost some years ago. I hope the Chair will take these things into consideration when deciding who is to be recognized and under what conditions.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the President of the Privy Council has stated the terms of the agreement reached this morning among the House leaders. I do have one qualification that I will come to in a moment, Mr. Chairman, but it is not serious. I should like to make the point that we agreed this morning to try this procedure for these two days on the estimates of the Department of Transport, without committing ourselves to

what we may do in the future. In other words, what we are trying to do is find a method that will work to the satisfaction of the committee in general. We are prepared to do our best to make this system work today and tomorrow and then decide where we will go from there.

● (1510)

There was one point in the statement of the President of the Privy Council that seemed to me to vary slightly from what we agreed to this morning. He said that if a member chooses to speak the full 15 minutes without putting any questions, he may do so. I think there was some concern this morning that a member might speak the full 15 minutes and not ask any questions, but make the kind of attack on the minister that would make him feel he should reply. Maybe we can cope with that if we come to it, but in any case the consensus was that we work on the basis of 15-minute units. We are prepared to try to make this plan work.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I would really want to feel confident about the new suggestion put forward by the President of the Privy Council for a two day experience. Does such an agreement provide that the spokesmen of the various opposition parties in the House will have the opportunity to talk in turn or if this is left to the discretion of the Chair? I would want to receive such an assurance before we start our proceedings.

[*English*]

Mr. Woolliams: Mr. Chairman, I am very happy to see that there was further consideration of this matter. I was one of the members on this side of the House on Friday who was unhappy with the procedure. I say to you, Mr. Chairman, that your ruling seems to be absolutely in line with what has been suggested today. Unfortunately, as time goes by in a day, different Chairmen chair the committee who do not know what went on previously and a misunderstanding develops. I would hope that if a member speaks for, say, five minutes and then puts questions, provided there is time left in his or her allotted time the minister will answer the questions if he can, or at least take them as notice, and do so right after the member has spoken.

I appreciate that we are all members of parliament and as such are responsible for curbing expenditures. The point that is being made by House leaders today is a good one, in that this is a unique responsibility of the opposition. We are trying to pry information out of the government. I have sat on the back benches of the government and I know that sometimes it is of benefit to the government to hide information. I think that ought to be taken into consideration in these procedures.

There is one further point that I should like to leave with you, Mr. Chairman, and I am afraid I disagree with my House leader on this. I hope that when we bring back the estimates into the House in this fashion, we will have not only the same privilege that we had in the past but the power that we had at that time. In the past we would tell a minister that the estimates would not pass until we got the information. All they do now is put up their collars and let the blizzard blow; when the blizzard is over, we have no information. That is what we complained about on Friday.

I want to say, sir—I know I am not supposed to mention your ruling—that you were most fair and just under all the circumstances on Friday.

Mr. Jones: Mr. Chairman, I wonder if this ruling, understanding or agreement among the parties takes into consideration the rights of members of parliament who are not members of parties?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I wonder if I may answer, and the reason I do so will be apparent in a moment. This morning we discussed the position of the hon. member for Moncton and I agreed to speak to him. I have been looking for him, but he was not in his place until a few moments ago. His position was certainly considered, however, and I am sure it will be protected by the Chair.

The Chairman: The committee has heard the suggestion of the President of the Privy Council. Is it agreed that today and tomorrow this will be the procedure adopted by the committee?

Some hon. Members: Agreed.

Mr. Murta: Mr. Chairman, in starting this two-day debate on the estimates of the Department of Transport, I hope we will be able to deal with questions at the time they are asked. I think this is far more pertinent and more helpful to the committee and to the member involved.

I should like to begin by saying that in the time this government has been in office, since 1972, the Department of Transport has not shown much in the way of results, in light of the election promises made at that time. When we look at the estimates we see a sizeable increase in all areas of expenditure of the department. I am going to deal with vote A, but before I do I should like to outline some of the election promises and try to show that almost none has been implemented. I think this is important in view of the fact that this House is going to be voting a large amount of money to the department.

In May, 1974, the Prime Minister stated that Air Canada was going to build major new facilities in Winnipeg at an estimated cost of $12 million, which would create 800 new jobs. The Prime Minister also said that Air Canada would discuss with the western provinces the establishment of a regional network of air services to serve small and isolated communities and create more employment. Another promise was for a STOL service to link Winnipeg, Brandon, Dauphin, Yorkton and Saskatoon.

On June 12, in Edmonton, the Prime Minister announced that if elected, his government would revise freight rates, set up a Crown corporation to supply boxcars, and improve the ports of Prince Rupert and Vancouver. That is another election promise that has not been carried out.

On June 17, in Toronto, the Prime Minister announced a $270 million program to aid public transit. To my knowledge, the government has not yet come up with anything positive on that program. The Prime Minister said on that occasion that a Liberal government would pay 100 per cent

of the cost of Canadian-made commuter vehicles and 50 per cent of the cost of platforms and stations. I could go on and on about the various promises made at that time, Mr. Chairman, but I am only trying to set the stage. In this debate we hope the minister will give the House of Commons the fullest information on the programs of the Department of Transport and the direction it will be taking in the future.

● (1520)

My first question to the minister concerns the headquarters of the department. According to the estimates, in the period 1975-76 over 1974-75 there is a 39 per cent increase in expenditures, which I feel is scandalous. I note that with respect to the 16.1 per cent increase in authorized man-years in 1974-75, part of the increase is attributed to improvements in public relations. Again, in 1975-76 a further 12.7 per cent increase in man-years authorized is to meet the growing demand for support in public relations. The information budget has increased from an actual expenditure of $48,000 in 1973-74 to an expenditure of some $1,687,000 in 1975-76. My question to the minister is this: From whom is there a growing demand for support in public relations? From where is that demand coming? Is it coming from the people of Canada? Apparently it takes 35 times more money to tell people this year that transportation is in a mess than it did two years ago. I ask the minister to explain the departmental figures concerning public relations.

Mr. Marchand (Langelier): Mr. Chairman, I will not answer all the statements which have been made, many of which are strictly political. The department has accomplished many things, and I will have the opportunity before this debate ends to tell the committee what the department has done in the west, with the agreement of the ministers of transport of the western provinces. I cannot ask the hon. gentleman to talk about Prince Rupert and the kind of agreement that we made with British Columbia about the development of northern B.C., about the development of Churchill or about the agreement reached with Manitoba, the maritimes, and so on. I will not take up the time of the committee with these matters; I know the hon. gentleman wants to gain some political credits in being strictly critical. This is what he is supposed to do and I am not going to interfere with that.

Of course, the total amount set aside for employees has increased considerably. We must take into account the training centre to be established in Cornwall, which will cost about $8 million. In addition, we must consider the new policy we are elaborating. I hope this will be ready soon. If the hon. gentleman scrutinizes the department's work objectively, he will agree that the number of hours spent in formulating the new policy justifies the differentials he alluded to. I do not know how much time I am to be allowed for answering.

Mr. Whittaker: The Chairman will tell you, never fear.

Mr. Marchand (Langelier): I do not intend to let the hon. member speak and then not answer him. I am not like that. The man-years allotment for the transportation task force has been increased by about 101 man-years. In addition, there has been an increase in the number of employees in the minister's and the deputy minister's offices. The number of people employed in the information bureau—I think that is the right term—has been increased. In addition, there is an increase of 15 persons employed in the public affairs part of the department.

There are increases in the transport training institute, in those connected with the bilingualism program, in the computer service, in administration and in the general category. One must also include the central registry, the financial service, financial planning, operational revenue, material management, micrographics, and so on. In these areas you will find increases in man-years allowed. These employees are not political creatures; they are civil servants working for the government.

Mr. Murta: Mr. Chairman, I am not suggesting that the percentage of increase indicates any political hanky-panky; nevertheless, I think the figures justify our asking where the Canadian taxpayers' money is being spent. I suggest that we shall resolve the political aspect tomorrow night after 9.45 p.m. The minister suggested that the new policy will come forward soon. Can he be more specific? I understand that it has to do with modes of transportation involving roads, water, and so on. Can he say specifically when this new policy will be made known? Also, will he assure the committee that when the new policy is made known or comes forward, the Standing Committee on Transport and Communications will be able to review it before it is actually put into operation? I think the minister said this would be done.

Mr. Marchand (Langelier): Mr. Chairman, the hon. member has raised an important question. I remember the promise I made last year that I would discuss this policy with the standing committee of the House, and I intend to do so. First, I must have the approval of my colleagues. This is a government matter and I will discuss it in the near future with my colleagues. As soon as I have cabinet approval, I will be happy to discuss all aspects of transportation policy with the standing committee.

Mr. Murta: Mr. Chairman, may I ask the minister another question? Another part of the 16.1 per cent increase in authorized man-years in 1974-75 is attributed to improvements in transportation policy. In 1975-76, part of 27 additional man-years is to be allocated, according to the explanation, to strengthening or developing the planning policy development functions: that is the way the matter is described. My question is this: What results has this increase produced so far? Also, if the policy development and planning development functions have been as heavily strengthened as is apparent from the estimates, why has the budget for professional and special services increased by 332 per cent since 1972-73? I suggest that the allocation in the 1972-73 budget was in the neighbourhood of $613,000; in the 1975-76 budget the amount allowed is in the neighbourhood of $2,652,000. Can the minister answer my question?

Mr. Marchand (Langelier): Mr. Chairman, I will try to answer the hon. member's first question and to get the figures from those who help me in order to answer the second question. I do not carry these figures in my head. To answer the hon. member's first question, let me tell

him that the elaboration of the new policy was hard work. We established an important task force composed of people who know something about transportation. Of course, when I talk about policy I am talking about the general philosophy of transportation in Canada.

That policy must be acted on; we must do something concrete. It is not good enough to say that transportation in Canada should be an instrument of national development; to say we agree. But what do you mean by that? Who will have to work on programs and who will have to work on projects? We know that this task force will keep on for the rest of the year, and probably in 1976 in order that we will not only have a policy but programs and projects which correspond to this philosophy.

● (1530)

With regard to the other point, if the hon. member will wait a second, I will try to find out the information. I am told it has to do with the Cornwall institute. They have divided the cost of the building with the cost of the professional fees which are paid to architects, engineers, designers, and so on; that is the explanation for that amount.

Mr. Murta: Mr. Chairman—

The Deputy Chairman: Order, please. Under the terms of the arrangement agreed to, the time of the hon. member for Lisgar has expired.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to use the time allotted to me at this juncture to put questions to the minister on three different subjects. They are not related to each other, so I will put one question, get the minister's answer, move on to the second, and so on.

As the minister will recall, during May and June of 1974—I will not say what was going on then because I do not want this to be that kind of a question—a good deal was said about urban renewal. The things that were being said under that heading included relocation of railway tracks in some or our cities and the development of new methods of transportation in our urban areas. Can the minister tell us what has happened, or what is happening to plans or projects that were in mind when those statements were made to the Canadian people in May and June of last year?

Mr. Marchand (Langelier): Mr. Chairman, as the hon. member knows, transportation in urban areas is outside the jurisdiction of the federal government. However, we offered to co-operate with the provinces and municipalities in order to improve the transportation systems in large and medium sized cities. We cannot act on our own initiative; we had to meet with the provinces. We did that in order to determine how the problems could be solved.

I met with representatives of the British Columbia government and representatives of the city of Vancouver to see how we should proceed with regard to a better urban transportation system. This was also done in Winnipeg, Toronto and Quebec. We are now working with the provinces and the municipalities. This must necessarily be done by co-operation: we cannot impose our way of doing things. For example, we cannot provide a commuter service without the co-operation of the province. We made an agreement for a commuter service from Richmond Hill, Ontario, to Toronto. The agreement is for $10 million. The service will be fed by all modes of transportation. People will be able to get to the heart of Toronto without having to wait many hours. This will avoid having to use thousands of cars which not only pollute but paralyse the city of Toronto. Therefore, we are working on this mainly with the minister of urban affairs. Everything is on the tracks, so to speak. I hope to see more achievements in the near future than have been seen up until this time.

[Mr. Marchand (Langelier).]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I appreciate the realism of the minister in referring to the necessity of co-operation between this government and the provincial governments and, in turn, with the municipalities. He will forgive me, I am sure, if I remind him that that was not quite the way it was given to the country last May and June. We were given great dreams of how our cities were going to be improved if the election went a certain way. However, we were aware of what was happening then. I am glad to know that at least something is being done.

The minister gave a bit of detail about the discussions relating to Toronto. Does he have at his fingertips any of the details relating to discussions involving Winnipeg?

Mr. Marchand (Langelier): I am sorry, I did not hear the last part.

Mr. Knowles (Winnipeg North Centre): I asked if the minister has any of the details regarding Winnipeg, similar to the details he has given about Toronto.

Mr. Marchand (Langelier): Mr. Chairman, there was a special study in Winnipeg. The problem is how to implement it. In the meantime, this House has passed the Railway Relocation Act. This was needed before we could do anything about the reform of urban transportation because we did not have the necessary money. We now have that instrument and we can work with the provinces and municipalities, not everywhere at the same time but according to our means. We intend to do that. We are ready to do this in Winnipeg because of the studies that have been made. As far as dreams are concerned, there is something I know. I am sure the hon. member shares my view. Anything that has been done in this world started with a dream. Mr. Woodsworth was a dreamer, a very nice dreamer.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, the minister in one of his better moments is trying to silence me. He makes it difficult for me to say that I am still aware of the difference between the things that were said last May and June about how quickly these things would happen if only the country would elect a Liberal government. I am glad to know the minister can say that something is being done. I hope he will turn these dreams into reality and we will not have to be given dreams all over again at the time of the next election.

My second question has to do with Air Canada. I will not steal the thunder of the hon. member for Central Nova. I want to deal with one specific problem and I shall

give one specific example of the problem. I have in mind Air Canada's labour relations. Is there not something the minister can do to persuade this Crown corporation, of which we in this House are very proud, to do something to get over the bad record that it is developing? The particular case in point that I wish to cite is that of the employees of the Air Canada finance branch at Winnipeg. Unhappy misunderstandings have persisted there for months. Perhaps by now it is a couple of years. I hope this is concerning the minister and that he can tell us what he is going to do about it.

● (1540)

Mr. Marchand (Langelier): Of course I am concerned about this problem; I would like to see labour relations working very well. Apparently there are some grievances in Winnipeg. One of the reasons, I presume, why so many of the things that came out through Winnipeg is that the people there were not satisfied with the way certain things were being done. This led to the inquiry which we instituted and which is now going on. I do not think it would be fair for Air Canada or its employees to begin discussing this issue at the moment, however. I realize that the hon. member's question had to do with labour relations which are not the subject of the inquiry led by Mr. Justice Estey, but I believe the inquiry will probably reveal many of the things that are going on inside Air Canada and the report might be helpful in leading to better relations between Air Canada and its employees.

Mr. Knowles (Winnipeg North Centre): Apparently the minister saw the look of puzzlement on my face when he referred to the inquiry which is taking place and intimated it would touch on the labour situation. I wondered if he was telling me that Mr. Justice Estey is looking into this aspect. If that is not the case, is there any other inquiry which can do so? Or is he saying that as a result of Mr. Justice Estey's inquiry, Air Canada will be put on its toes and realize it must patch up its labour relations in the same way as we hope it will patch up its financial affairs?

Mr. Marchand (Langelier): Even if there is no direct relationship between the grievances which have been expressed and the financial anomalies of Air Canada, there is no doubt the latter situation has some bearing upon the relationship between the group in Winnipeg and the headquarters in Montreal. Even if it is not a matter of collective bargaining, there is no doubt in my mind that some people are not satisfied with the way things are going. This creates unrest; it creates a bad atmosphere. If this were cleared up it would probably be easier to establish a better relationship within the organization.

Mr. Knowles (Winnipeg North Centre): If I share the minister's view, that means he shares mine. I hope he will pursue this matter with vigour. I have one other question, and if I gave the minister ten guesses he would guess it ten times. As we all know, a commission has been appointed by the Minister of Labour to deal with the whole question of railway pensions. Any questions relating directly to that inquiry should be directed to the Minister of Labour. But I shall narrow this issue down to that of Canadian National pensions. It is a question I have asked the minister during the question period. We have dealt with it on late shows. I find it difficult to jump too hard on the hon. gentleman because, again, I believe he agrees with me. But I am asking him to push as hard as he can with respect to this item.

It took a long time, and I mean a long time—decades—to get the CN to escalate the pensions of its retired employees. For decades, once CN workers had retired their pensions remained fixed throughout their lifetime. Four or five years ago we got those pensions escalated, but for about three years the escalation amounted to only 2 per cent a year and no more, no matter how much the cost of living went up. Last year, the CN improved the position by granting a 4 per cent escalation. But, Mr. Chairman, we are already in the month of May, 1975, and there has not yet been any escalation at all this year. I think the minister and I share the view that it is scandalous for the CN to ask its pensioners to wait all this time for a cost of living increase for 1975.

The excuse may be that the company is waiting for the Hall report. If so, that is not good enough. I am sure the report will not recommend anything less than the CNR and the CPR have been doing. Is there anything the minister can do to get the CN to come through, without further delay, with an escalation for 1975 in pensions of retired CN employees, either through his powers of persuasion or through his political clout? Since 10 per cent was the rate of escalation for the pensions of retired public servants, RCMP personnel, armed forces personnel, those on old age security and those receiving Canada Pension Plan benefits, that is what it ought to be with respect to CN pensions, certainly no less. This is my last question: Is there not something the minister can do to get Canadian National to be half decent to its retired employees?

Mr. Marchand (Langelier): The hon. gentleman talked to me about that last week, if my memory serves me well. I know there is a private bill on the order paper on this subject in the name of the hon. member for Lévis. In the meantime, as I mentioned to the hon. member for Winnipeg South Centre—

Mr. Knowles (Winnipeg North Centre): Winnipeg "North" Centre.

Mr. Marchand (Langelier): Excuse me. I have never made any distinction as to that sort of thing. As I told the hon. member, I communicated with the chairman of the board of CN, making the representations he was making to me and with the same conviction, I think, as the hon. gentleman has displayed. The chairman of the board told me there was to be a meeting of the board on May 26 and that he understood very well our feelings here. Without giving a decision of the board—he is not authorized to do that—he did say he hoped we would be satisfied with the decision which would be taken. That is all I can say for the time being.

Mr. Knowles (Winnipeg North Centre): May I just say I shall question the minister about this on Tuesday, May 27?

● (1550)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Chairman, I am very glad to have the opportunity to put some questions to the hon. Minister of Transport (Mr. Marchand).

Since his announcement of a great reform in this House, it seems to me that it is still at the study stage. We are told that the study is going on, but I wonder whether, when it has been completed, the Minister of Transport will have more authority, generally, on air or railway transport. Even if personnel increases as the budget increases year after year, in our area, the higher the budget, the worse the service.

Strange enough, as the budget increases, we note personnel increases in more comfortable offices and, in the same way, decreases in maintenance, so that today I think there are four technocrats for one maintenance worker, who will see to the maintenance of railways or airports. This is the remark I wanted to convey to the Minister.

Every time we have elections, we can see countless airplanes flying in the sky of our constituency. We are given promises and, then, we are told that they were only election speeches. I think that it is kind of cheating the population of Saguenay-Lac Saint-Jean. I know that the Minister is sometimes sincere. This afternoon I would like to put three or four questions to him. I would like him to answer directly, because he knows the needs of our area.

I would like to discuss airlines. He knows that the quality of air service in our area is presently at its lowest level ever. I do not know what are his plans for the future, but I would like to mention two or three problems and, particularly, the upgrading program of the Roberval Airport. I think it is the one he knows best. Does he still consider the Roberval Airport as the main one in our constituency? I would like to know what are his plans for this airport. In a moment, I will have another question to put about it. I would like to know his views on the Roberval Airport.

Mr. Marchand (Langelier): Mr. Chairman, I had a chance a couple of times to land at Roberval airport and for a small city that is located fairly far from the centre, it was indeed a rather wonderful experience to be able to land there in a jet. My hon. friend knows that Roberval strip quite well. In any case, as you know, the use of airports or the construction of landing and take-off runways is not simply a matter of government will. At the same time there must be people ready to use them and prepared to give the service.

It is not only a matter of saying: Let us build a landing strip, and let us wait and see, perhaps some people will use it. If we start developing that kind of philosophy I can assure you we might have to increase taxes, and I do not rely much on my hon. friend to convince the voters that it is a good thing.

In any case, there is the problem of traffic at an airport like Roberval. No doubt it is the most important in his riding but it is not the most important in the area because there is a bigger airport in Bagotville. Whether we like it or not, Mr. Speaker, the city of Chicoutimi is bigger than the city of Roberval, and to that I can do nothing.

[Mr. Knowles (Winnipeg North Centre).]

As to the increase in costs, what happens to other services happens to airports too. It costs more to dig ditches today than a few years ago; it even takes a little longer and requires more people. Of course, we live in the same world. People used to work 60 hours a week, now they work 40, and I think my hon. colleague understands that quite well, even in his business.

Mr. Gauthier (Roberval): Mr. Chairman, I thank the hon. Minister for his reply but I would point out to him that when he said it was absolutely essential that municipalities do their share—and I think he realizes that himself—the city and parish of Roberval have done their big share and are still doing it today.

Now I want to ask him a question about another project. I think the hon. Minister has never been very clear nor very specific on that project that was requested by the northern towns, namely Dolbeau and St. Félicien, concerning the construction of another airport. I have here a recent reply dated April 14, 1975, about that project.

We would like an airport to serve northern towns. The Minister has already contacted those groups, but it would be what is called the Dolbeau-Saint-Félicien airport in Saint-Méthode or an existing airport. Air navigation courses are given there. In the answer I have on hand it is mentioned that a final decision regarding the location of an airport in this area has not been made yet but that studies are made regarding harbour facilities.

I should like the hon. Minister to tell us what he thinks about that second request in the riding of Roberval?

Mr. Marchand (Langelier): Mr. Chairman, I think that has been very clearly announced in the speech from the throne and in the program of the Ministry of Transport. Communications between remote locations and the major centres of our country are very important. We wish to multiply the number of airports insofar as it is financially possible or insofar as they can be used enough to be profitable. Otherwise, we would have to build airports in each town, each village. I am not against it, but I shall tell you what it would cost and by how much taxes would have to be raised. In each area there must be a means of communication. First, the Saguenay area is well connected to the cities of Quebec and Montreal by the Bagotville airport; I think that nobody has to complain about it. In the Lac-Saint-Jean area, there is the Roberval airport which might be improved. A certain amount has been provided for it in our estimates. This year, I do not know what is the amount provided for municipal and small airports serving remote areas. When all the money has been spent, it is not possible to print more. In Roberval the runway is already built, it has only to be made practicable. It might be the best place to start and a small municipal airport might be built later in Dolbeau. All that will be achieved according to our means, and we believe the Dolbeau municipality is right to try and develop faster communications with communities in the area and the major centres in the province.

Mr. Gauthier (Roberval): Mr. Chairman, my second question deals with another kind of transportation, railway transportation.

On several occasions, I blamed the government, and especially the Canadian National, because it was the only company operating in our area. Now, they are not only taking trains away, but also closing down stations. They removed the Dolbeau station clerk, and I got letters from Chicoutimi, Jonquière and Iberville telling me stations had been closed down in that area too. I shall let hon. members for those areas say what they have to say about that. In my constituency, the clerk was removed, and tickets are no longer sold in Dolbeau, which is a serious situation in summer, because many workers leave from Dolbeau for the fruit and vegetable picking season. I think there is a considerable number of customers in Dolbeau during two or three months. But ticket sales have just been discontinued. This is what railway workers have been complaining about. They said: At least they should have done it in winter, not in summer, during peak traffic. I wonder if the minister is aware of that.

The "express" service is also being discontinued. I do not know if it is cheaper, but "express" services are being contracted out. They go to Montreal to get "express" contracts. One was awarded in Abitibi, another one will soon be awarded to our area; I believe that very soon the Canadian National and all its bureaucrats will be driving their desks, with their only job being to give out contracts to private enterprise. I believe this is what is coming. As things are going now, even passengers will be farmed out. I would like to know the minister's opinion on that, whether that is an improvement or whether it heralds the curtailment of our rail services?

Mr. Marchand (Langelier): Mr. Chairman, I suspect the hon. member is not completely aware of certain facts. They are quite the opposite from what he suggested. We are hearing numerous complaints about the Canadian National laying off employees. CP Rail does exactly the same thing. He says we are increasing the number of bureaucrats. On the contrary, I can assure him we are now reducing their numbers. They are bitterly complaining against it. I suggest the hon. member come to my office, where I can show him letters we are receiving exactly for this very reason that some are laid off.

We are now talking about a railroad and I think the hon. member will understand that it is not profitable to maintain a railroad on a year-round basis because the people in Dolbeau, Saint-Félicien, or elsewhere, use it only two months a year. If there is one area in the province where people use their car instead of the train to travel, it is in the Lac Saint-Jean area, and I know this area rather well since I lived there for many years. People like to have train service in case the roads are blocked or there are no other means of transportation. But this costs Canadian taxpayers a lot of money.

The problem in the Lac Saint-Jean area is the same as in Western Canada, where there are what are called "branch lines", which have not been used for years. Are we going to maintain them in the hope that one day we shall have customers who will board the train? I can give an example of this: there is at least one area in Canada which is costing us at least $6,000 a year for every passenger boarding the train.

The Deputy Chairman: Order, please. The time allotted to the hon. member for Roberval has now expired.

• (1600)

[*English*]

Mr. Anderson: Mr. Chairman, it is sometimes said that living on Vancouver Island is reward enough in itself, but I wonder if I might refer to three areas of transportation in relation to Vancouver Island, ask a question on each and then sit down to allow the minister to reply. My first question relates to the fact that it is the present policy of the federal government and the minister's department to provide subsidies to ferries that operate interprovincially or that run from Canada to the United States.

The situation which exists in this regard in respect of the mainland of British Columbia and Vancouver Island deserves special attention because we do not have the Trans-Canada Highway connecting the mainland to the island, obviously, because of the Strait of Georgia. This is something about which the minister and myself can do nothing. However, because of the fact that earlier we did make provision for federal subsidies to provinces in respect of the Trans-Canada Highway from coast to coast, it should be relevant to consider some form of subsidy in respect of ferries. Perhaps this subsidy could be in the form of assistance in the construction of new ferries. A great number of people from other provinces in Canada use the existing ferry system and draw heavily upon those services to the people of British Columbia, particularly Vancouver Island, and for this reason I think we should look seriously at the idea of providing subsidies for this very important service between Vancouver Island and the mainland.

Mr. Marchand (Langelier): Mr. Chairman, we have been discussing this with the hon. member and the government of British Columbia for many months. We are trying to determine if it is possible to do this without creating a precedent that would, of course, cost the federal government hundreds of millions of dollars. If we decided to subsidize all intraprovincial ferries, the cost would be tremendous. We have departed from this policy and we have in many cases succeeded in eliminating all ferries which were operating within the limits of provinces.

In the case of British Columbia, we have been given some reasons for providing such a subsidy, probably the most important of which is the one referred to by the hon. member, that is, that the Trans-Canada Highway should really start in Victoria and continue from the mainland in Vancouver, maintaining the link from Vancouver Island to Newfoundland. Such a link should be part of the federal responsibility, and this is something we have been trying to achieve, but the hon. gentleman will understand that if we did this generally for ferries, then I do not know how we could avoid doing it in respect of bridges. The same argument would apply because they, too, form part of the Trans-Canada Highway. This is not something we are refusing to discuss and the hon. member can be assured that I am ready again to look into the situation.

Mr. Anderson: The second matter I should like to refer to is one that affects the northern part of Vancouver Island and the cessation of barge services to the isolated

communities there. This service has been cut off because of the sparsely inhabited area, yet the barges are the only means of transportation since there are no roads or railroads in that area. I believe there is a precedent in that the federal government does subsidize the cost of bringing freight to those isolated communities in northern Vancouver Island by a ship called the *Yewchuk*. Recently, the Sea Span Barge Company of Vancouver terminated services to these isolated communities because, as it claimed, the cost of stopping at these areas was higher than the charge for delivering the freight. In other words, it is an uneconomical endeavour in view of the capital investment involved in bringing freight to these communities.

Since there is a precedent in that we do provide a subsidy to some sort of freight services for other isolated communities, I would suggest that we should provide a considerable subsidy to the Sea Span Barge Company which has within the last few months stopped providing this service to many communities on northern Vancouver Island because it is not profitable.

Mr. Marchand (Langelier): Mr. Chairman, I come back to the argument I was advancing a few minutes ago. We are providing this kind of subsidy in the Northwest Territories because there is no provincial government there. We do it at this moment in Hudson Bay, for example, and the Arctic Ocean and through the Mackenzie River because those are territories where there is no provincial government.

● (1610)

Of course, we grant subsidies—and this might be a precedent—to the maritime provinces for intratransportation, partly by truck. To a certain extent this might be comparable to what we do in the Newfoundland coastal service which is within the limits of a province and to which we grant some subsidies. We can look at it again. We knew that private enterprise could not make money on it and would abandon this kind of service. We can either have some sort of agreement with the B.C. government or we can do it in the same way we are doing it in Newfoundland and the maritimes.

Mr. Anderson: Mr. Chairman, one of the things that should be pointed out at present is that, surprisingly enough, in the northern two-thirds of Vancouver Island, including the point from Nanaimo north, we have fewer transportation facilities than there are in the Yukon. The Yukon is considered to be a fairly remote territory which does not have some of the amenities of life that we are supposed to have in the southern part of Canada. But I think it is very interesting to point out that in the northern two-thirds of Vancouver Island, beside the fact that there is absolutely no rail transportation, we have no roads apart from logging roads at present and our airports there are fairly restricted. Therefore, we have a definite problem.

I would like to ask the minister a general question. In view of the fact that in my opinion this is a situation for which one can blame the federal, the provincial or the municipal government, would it not be appropriate, in view of the abysmal lack of transportation in our area, for a transport committee inquiry to be held regarding what we could do and what co-operation we could get from the various levels of government in order to make that area inhabitable? We have resources in that part of the Island, including copper and other minerals, and we have a tremendous forest industry in the area, but we are unable to keep people up there because of the isolation and lack of means of communication such as railroads, radio and television.

[Mr. Anderson.]

To be quite honest, I will do anything in my power to bring this matter to the attention of the minister as well as the provincial government. In my opinion, this area has been neglected for many years. I will not go into the reasons it has been neglected, but let us start with the assumption that there is need for an inquiry into how we can bring that area, so full of potential, into production so we can increase the benefits from the area and keep families and communities together, instead of having people come up there for several months in order to earn enough money to go back to the large cities.

Could an inquiry be held so that at some time in the future we could consider providing various modes of transportation such as ferries, highways, air transportation, and so on, and so we could provide a service for the people in this area who have been crying for help from the various governments for many years?

Mr. Marchand (Langelier): In order to answer this question properly I would have to reveal a part of the new policy which we are designing. One of the points that we have studied in depth is the accessibility of certain communities because, of course, Canada is not the same everywhere, as the hon. member knows. Southern Ontario is different from northern Ontario which, again, is different from the Northwest Territories or the lower St. Lawrence. We will have to find formulas so that all these people can feel they are Canadians and have means of communicating with the main centres of Canada. This is something we are looking into.

We were speaking about subsidies a few minutes ago. Let me state that so far as British Columbia is concerned, right now we are giving over $700,000 to Vancouver and the northern ports, and for the service on the west coast of Vancouver Island—this is inside the province—we pay more than $168,000 through the CTC. So we are already doing something in this area. The problem which the hon. member raised, however, is a practical one of the accessibility of isolated communities. We have this problem not only on Vancouver Island but in many places in the north. Almost the whole of the northern portions of the provinces are in the same situation: they can hardly communicate with the south. The problem is one of isolation.

An hon. Member: This is not the time to brag about it.

Mr. Marchand (Langelier): This is a problem to which we will pay much attention.

Mr. Anderson: I can understand that the problem occurs in the northern parts of our Canadian provinces, but I think it should be brought to the attention of the minister that we run into a special problem: this area is not even in the north, in the geographical sense. The problem is merely in the fact that we have mountains, fiords and inlets which tend to break up the communication links

that we could have there. The difficulty of the problem lies not only in the inaccessibility of certain communities but in the cost of putting in services, which is bound to be very high.

The only redeeming feature—and one has to be practical in looking at these things—is the fact that there is tremendous potential in the area in respect of lumber, fishing and mining. This is a vicious circle, because population is needed there before the services can be provided. However, in order to get the people there, we need services to begin with. We seem to have been going around in circles for many years.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. MacKay: Mr. Chairman, I hope to have the opportunity to discuss for a few moments with the minister two or three topics related to Air Canada, and I shall do everything I can to avoid impinging on any areas of the inquiry being conducted by Mr. Justice Estey. However, I would like to say to the minister that I had the opportunity to attend the hearings briefly, and I can assure him that he can be most satisfied and proud of the way in which the hearings are being carried out. Certainly, I was impressed with the way in which the hearings are conducted, the calibre of counsel, and all other procedures.

Perhaps at the end of my brief remarks the minister will deal with the points I have raised. First, I would like to ask him to what extent he has been kept informed, and to what extent he feels it is proper for him to be kept informed on an ongoing basis of the management and policy decisions of Air Canada. Does he receive, for example, from time to time, regular reports from the chairman and chief executive officer and copies of the minutes of meetings of the executive committee of Air Canada? Consequently, does he make some input himself into certain basic policy decisions of our national air carrier?

● (1620)

I would also like to discuss briefly the proposed reorganization of Air Canada's southern and United States region where it is contemplated that the southern region, comprised of some sovereign countries in the Caribbean, will be amalgamated with the United States region and the office of the United States region, which is now in Los Angeles, moved to 600 Madison Avenue, New York, with a target date as I understand it of approximately August 1 this year. I suggest that this, in effect, makes southern locations located in the central regions since 1971 part of the United States region which will be called the United States and southern region.

Without going into the matter in great detail, I wonder if the Minister could say whether he is aware of the implications of what is being done, and is he aware that reports and submissions have been made by officials of the Department of External Affairs to executives of Air Canada conveying opposition felt by some Caribbean countries at being lumped in with the United States? I am informed that these nations feel a greater affinity toward Canada than the United States, and that there is a feeling special relationships could be lost if they must be considered as part of the United States rather than having their own special relationship with Air Canada, our national air carrier.

Before the minister answers I would like to suggest, also, that besides this possibly being counterproductive as far as efforts by the Department of Industry, Trade and Commerce and the Department of External Affairs are concerned with respect to their aims in the Caribbean area in extending Canada's good offices and sphere of influence, there is also the case of businessmen in what is now the southern region having to change their procedures in dealing directly with Canada, since I suggest that if the region is amalgamated according to the proposed plan, businessmen may have to obtain a rate to Canada through the New York office rather than dealing directly with a Canadian centre. This could be objectionable, and although I am not suggesting to the minister that this proposed reorganization is necessarily bad, I wonder if he is aware of all the various consequences of it and whether it could be a regressive step, taking into account the whole picture. I hope the minister will carefully consider this question and deal with it, if not today then quite soon.

Another topic I would like to discuss is related to remarks made by the hon. member for Winnipeg North Centre about labour-management relations. I have enormous respect for the hon. member for Winnipeg North Centre and I would also like to go on record as saying that it is not my purpose, and I am sure it is not the purpose of any member, to denigrate, hurt or undermine Air Canada but to try to improve this great institution of which we are all proud. However, I am wondering about the cost factors and some of the problems of Canada's image involved in the strike in Paris. There was also a problem in New York, as the minister knows, with the IAM people walking out a few days ago. It seems to me that the contracting out procedures Air Canada is taking might merit some personal review by the minister.

I would also like to know if we could have some statistics on the cost of this Paris strike because, as I understand it, the regular Air Canada fare from Toronto to Paris is $328. Because of the strike in Paris, it is necessary to take passengers from Toronto to London, England. That fare, at $315, is somewhat cheaper, but to carry on to Paris there is an additional sector fare of approximately $57. The airline, of course, is responsible and must absorb the cost of approximately $44 because it is an involuntary re-routing, using airline parlance.

It has also come to my attention that some passengers who would have boarded in Montreal for Paris must be taken to Toronto. The fare is another $37 for these passengers. So all in all, I suggest that considerable financial losses are taking place because of this contingency with which our airline must cope. The image of Air Canada in France must be considered. There are certain French laws, as the minister well knows, which have to be taken into consideration in determining the future of these employees of Air Canada whose services are apparently no longer needed.

In concluding my remarks, I would like to say sincerely to the minister that, being on the opposition side, it is most difficult for us and for me to obtain the type of hard, accurate information which is necessary to suggest

changes or investigations. In the past, I have tried to be reasonably accurate with information I have given. I would now like to bring to the attention of the minister a situation which may exist—this is perhaps one of the most interesting parts, at least for me—where I have reason to think it would be a good idea if he would check to see what the relationship is regarding certain management consultant firms or personnel placement firms which deal with Air Canada, and supply or refer executives to this company.

As I understand it, it is the practice of the trade—at least, it has taken place in the past—that there is a fairly generous finder's fee involved when a personnel placement agency supplies an executive to Air Canada say at a salary of $40,000 per year. If the executive stays with the company for over six months, Air Canada is obligated to pay to the personnel placement agency half of the executive's salary for the first year, as a finder's fee, which, on the basis of the example of $40,000, would amount to $20,000.

I have reason to believe that a situation exists where in at least one case, and perhaps in others, a man who was vice-president and general manager of one of these finding bureaux, if I may use that term, arranged to have himself placed with Air Canada and worked there long enough that the firm which placed him qualified for the finder's fee, which was quite substantial because he was a fairly highly paid executive. During this time, the unusual part of the arrangement may well have been that he perhaps never really divested himself of his former interest and former position with the agency where he used to work which placed executives with Air Canada. If this type of situation does exist, it seems, to my comparatively untutored reasoning, that there could be a problem. I do not know how widespread it is. I have only heard of this particular instance.

There is another side to this situation which may be even more unusual than the one I have stated, and this is that one of the vice-presidents of Air Canada has a direct or indirect relationship with this management consultant firm. If that is the case, the minister can see the unusual problem involved. If, and I emphasize "if", this happens to be the case, I feel that the minister should be concerned. In checking into the relationships between management consulting firms of this type and Air Canada, perhaps the minister would begin by looking to see if that possibility exists with regard to the firm of John Hold Stethem-Claude Gareau Limited, of Montreal. There also is an Ontario wing of the company. If there is any substance to this, perhaps in the course of a few days the minister might make a report. If he requires more background information, I would certainly supply it to any of his officials.

Mr. Marchand (Langelier): Mr. Chairman, I can be more precise with regard to that relationship later on. Canadian National is the owner of Air Canada. Canadian National has representatives on the board, and so have we. What strikes me in the relationship between the federal government and its Crown corporation is that it is not the same type of relationship as exists with any of the other Crown corporations. It depends, I presume, on the minister or the government in power at any given time. I remember that Mr. C. D. Howe, who was not a socialist, created four or five Crown corporations and probably depended upon—

• (1630)

Mr. Benjamin: Where is he, now that we need him?

Mr. Marchand (Langelier): We have a situation that is difficult to understand. For instance, the president of Northern Transportation Company is a member of Eldorado mines which is a Crown corporation. As president of the Northern Transportation Co. Ltd. he reports to me, while Eldorado mines reports to the Minister of Energy, Mines and Resources. This is the way it was set up, and perhaps some day we can correct this.

We receive the minutes of the meetings of the board of directors of Air Canada—not of the executive committee but the reports of the board of directors. That is outside the control of the government; that is, the control that the government can exercise over the budget. Of course, Air Canada is more dependent on the CNR than it is on us. These are the things we have been looking into, and in future we will probably have a more normal kind of relationship.

As far as the vice-president who is involved in a placement is concerned, and whether there is a conflict of interest, I will make inquiries in the department and get the answer on that. Personally, I was not aware of that and I will be happy to look into it and give an answer before tomorrow night.

Mr. Francis: Madam Chairman, I want to deal with some of the matters touched on by the hon. member for Winnipeg North Centre concerning the programs of the government in aid to public transit in some of the larger urban areas. The question was put to the minister with regard to certain cities, and I should like to put the question in regard to the national capital region. It may be that I am putting the question to the wrong minister and, if so, I am sure I will be set straight.

I should like to know what program there is for the development of plans for other forms of mass transit in the national capital region, in the hope that the federal government might be able to take more initiative in this particular area for which it has more responsibility than it has in many other urban areas in Canada. I hope it will be possible for the federal government to do certain things in the national capital region that will be by way of demonstration projects to other urban communities across Canada to illustrate what is it possible to do in the way of innovation and things that are new. In this connection, I should like to know what measures the department is taking by way of encouragement in basic research in urban transit.

Mr. Marchand (Langelier): The city of Ottawa is on the same footing as all the other important cities in Canada. I do not have special responsibility as far as the national capital region is concerned. The Minister of State for Urban Affairs is in charge of the National Capital Commission, and I know that plans have been discussed by the city, the province of Quebec and the NCC. The Department of Transport is not involved at this stage but might

be later, as the province of Ontario might also become involved. I know they are working on all kinds of projects, but unfortunately I cannot enlighten my colleague about what is being done at this moment.

Mr. Francis: I appreciate the answer of the minister. I do not wish to press him on a matter which is not his responsibility, but I am interested in what he has to say as a senior member of cabinet and one who is experienced and knowledgeable in these matters. I wonder if one element that might bring forward something of special interest would be the money that the government is saving now in the national capital from the charges that are being made for parking facilities, which I support. There is a saving of perhaps $5 million a year to the government in this respect. I hope that the net effect will be to encourage the government to look to other measures that might assist because there is such a saving to it, in discouraging people from using private cars and to look with favour at alternative methods of getting to and from their employment.

In view of the special savings accruing to the government as a result of these policies, I hope the minister will confer with his colleagues to consider whether additional measures to encourage public transit can be undertaken.

Mr. Jarvis: Madam Chairman, I wonder if I might continue with the unhappy saga of passenger rail service in southwestern Ontario, a matter with which the minister is closely concerned and which has been raised repeatedly in this House since March or April, 1970. In order that the minister not be unnecessarily confused by other matters, such as urban transit around the city of Toronto, perhaps I should trace the history of the service, or lack of it, since 1970. In that year the CTC held public hearings as a result of a CNR application to discontinue certain trains. Permission for discontinuance of 400 miles of passenger service was given in November, 1970, in spite of a mountain of evidence of the necessity for the service.

During 1971, there was considerable debate in this House and considerable public uproar about the discontinuance of service. In the spring of 1972, the Standing Committee on Transport and Communications was charged with the responsibility of holding hearings throughout southwestern Ontario to determine the adequacy of passenger rail service. The committee visited London, Chatham, Stratford and Walkerton in the spring of 1972. The committee's report was published in June, 1972, and included a unanimous recommendation that the passenger service eliminated on November 1, 1970, be immediately reinstated.

In the twenty-ninth parliament a series of questions were asked, starting in April, 1973. There were motions, debates, petitions and groups which came to Ottawa. I remember that in the winter of 1972 or early spring of 1973 the warden of one of the counties affected went back to his locality and was reported in the Guelph *Mercury* of June 15, 1973, as saying:

> Our brief was very well received and Mr. Marchand appeared to react in a most favourable way to our presentation. I believe I can say that after our talks I am optimistic about the future of our area and provision of proper transportation for its residents.

That response was typical of the people who came to Ottawa and who talked to the minister, his parliamentary secretary or departmental officials. They always left Ottawa feeling optimistic. In mid-1973 the minister started talking about the CTC study and tri-level discussions, and emphasized the need to consult local people. In September, 1973, he agreed to release the CTC study around the first or second week of October. Nothing happened, Mr. Chairman. On November 20, 1973, Mr. Benson appeared in the standing committee along with the minister and said that the report might be ready by the end of November. He also mentioned a survey that was being taken by the CTC of some 12 families in the area affected.

On January 7, 1974, in reply to a question which I put to him in the House, the minister said that he had received the CTC report, it had to be distributed to all interested parties and that it was to be studied soon at a tri-level conference. I believe that everyone took tri-level to mean federal, provincial and municipal. On January 8, the next day, it was determined that the report had not been made available to members of parliament, provincial representatives, municipal officers and the Standing Committee on Transport and Communications. On January 9, 1974, we were still waiting for the third portion of the report consisting of the survey, Gallup poll or whatever one may call it.

● (1640)

Finally, in 1974, parts I and II were tabled. Part III, received by the minister well over one year ago, has never been tabled despite requests to that effect. During 1974, the CNR continued to dispose of its railway stations in southwestern Ontario and continues to do so to this day. In October, 1974, the minister stated that the matter was still under study with Ontario and there was no further reference to tri-level conferences or consultations with municipal officials or others directly affected by this loss of service. On October 23, 1974, during debate on the Treasury Board estimates, an hon. member read the following portion of a letter dated October 9 and written by the minister's research assistant, as reworded on page 683 of *Hansard:*

> Last year, the CTC's research branch carried out a thorough study of transportation services in the area and came to the conclusion that rail passenger services were not supportable by the population and that the preferred method of travel would be an improved rationalized bus service, a possible link to the existing main line passenger trains between London and Toronto.

That brings us up to date. May I now ask the minister a number of questions? First, has a tri-level conference ever been convened, as promised by the minister on January 7, 1974?

Mr. Marchand (Langelier): Madam Chairman, we held a tri-level conference in Toronto at which the urban community was represented by Mr. Rhodes, a member of the Legislative Assembly of Ontario. There were other meetings in Ottawa, on this matter, with the provincial minister responsible for roads. The Minister of State for Urban Affairs is trying to institute the tri-level conference system right across Canada. This is a long process as some provinces are reluctant to include municipalities in an organization which includes provincial and federal governments. There are some difficulties of adjustment. We

have met, probably four of five times with the government of Ontario in an attempt to resolve some problems which have existed since 1970 or 1972.

Mr. Jarvis: Madam Chairman, may I ask the minister why the third part of the CTC study, referred to as the survey, Gallup poll or what have you, has never been made available to members of parliament, provincial representatives or municipal officials? Why has the minister refused, to date, to table that report? If he is not refusing, will he tell us when he intends to table it?

Mr. Nielsen: He knows nothing about it; he is conferring with his officials.

Mr. Marchand (Langelier): Please excuse me, Madam Chairman; I am looking for the report as well.

Mr. Nielsen: The CTC would not even give it to the minister.

Mr. Marchand (Langelier): Perhaps it has been lost somewhere in the mail.

Mr. Baldwin: Move for the production of papers.

Mr. Marchand (Langelier): Madam Chairman, before tabling the report we must have agreement of the government of Ontario. After we obtain that agreement we can table the report and make known the basis on which we reached agreement.

Mr. Jarvis: Madam Chairman, may I ask another question arising from that answer? Has the government of Ontario not completely repudiated the efficacy of that report and suggested that it is totally unsatisfactory? It was not satisfied with the questions asked, with those to whom questions were directed or with the responses demanded by the nature of the questions. In other words, has not the province of Ontario said to the Department of Transport, "This report is completely unacceptable"?

Mr. Marchand (Langelier): Madam Chairman, I am told the province does not like the report. We are still working on the problems which must be solved in southwestern Ontario. Of course, if the province does not accept the report and does not accept our efforts at co-operation, we will not table the report: what would be the purpose?

Mr. Jarvis: Madam Chairman, does the minister consider it acceptable for his department to operate on the basis of reports prepared by the CTC, when the CTC ordered the discontinuance of services in the first place? In other words, is the report of a body which is really sitting in judgment on its own decisions acceptable as a guide for future policy decisions the minister might make?

Mr. Marchand (Langelier): Madam Chairman, I suggest that the hon. member should read the speech I made in the House on a previous occasion. Do we want to change the law? The CTC is given wide powers, and I do not know how many inquiries the CTC is making at one time. They have the authority to do this, and most of the time they are not even under the obligation of communicating the results to me. That is the way matters stand, and this was done with the acceptance of this House: many of us were here when we passed that law.

I do not blame anybody. We thought we were setting up a regulatory body which would prove useful. I think it is useful to have this regulatory body. The question is, can we take away from government the responsibility in this field? All I can say at present is this: it is just too bad, but they did not send me the report. They decided to hold an inquiry, but I did not ask for one. This is the way matters stand. If we want to change that state of affairs, we will have to make some suggestions to the House.

[*Translation*]

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. minister, but according to the agreement made today, the time allotted to him has now expired.

[*English*]

Mr. Benjamin: Madam Chairman, may I direct several questions to the minister. Since the holding of the western economic opportunities conference in Calgary, a number of policy thrusts have been announced and agreed upon by the federal government, in particular the Ministry of Transport, and provinces of Canada, particularly western Canada. I wish to ask the minister when the government intends to implement the announcements made by the Prime Minister, the Minister of Transport and the Minister of Justice in last year's election campaign. Specifically, I am referring to the minister's commitment to establish a passenger train corporation. What has happened to that corporation? When does the government intend to establish it? Also, has money been set aside in the present estimates for the corporation?

Mr. Marchand (Langelier): Madam Chairman, during the election campaign we said that if the passenger train system were not improved we would create a new corporation that would be given responsibility for operating passenger trains in Canada. The first thing I did after the election was to ask Mr. Sinclair and Mr. MacMillan to come to my office: I asked, "Are you interested in operating passenger trains, because you are losing money?" They both said they were very keenly interested in operating passenger trains.

● (1650)

Mr. Baldwin: If the price was right.

Mr. Marchand (Langelier): Yes, that is what they told me. I asked what they intend to do about it. There is something new since then. We do not intend to stop there. We now have a turbo train which operates between Montreal and Toronto and another between Ottawa and Montreal. CP is ready to start the LRC train. They want to operate this between Ottawa and Montreal, but we are not sure that is the best thing to do. Our agency in Montreal, the Transportation Development Agency, is working on this aspect of the problem.

If we cannot get a satisfactory decision from the railways, we will create this corporation. This has not been put aside. It is a right that we reserve and which will be exercised if the railways keep this attitude of not operating their services in the field of passenger trains, prefer-

ring to use old cars rather than renewing their rolling stock.

Mr. Benjamin: Other than the turbo train and the LRC experiment, neither railroad has placed any orders for new equipment. They have not extended any money to prove their so-called interest in passenger train service. Does the minister take that as any kind of sign that he should now move on a publicly-owned passenger train service?

Mr. Marchand (Langelier): Madam Chairman, I do not think that would be reasonable. We want to have a new, progressive policy in that field. We want the railways to follow this policy. However, it is difficult to ask them to follow a policy which is not yet known. This is why it is urgent that there be this policy. It must be approved by cabinet and the House. If the railways then do not want to do that, it will be just too bad; we will do it ourselves.

Mr. Benjamin: The minister has had 12 months to say that to them. I will now refer to another specific item in the Liberal Party's election program commitment—a freight car leasing corporation. Aside from the hopper cars that we all know about, since World War 11 the railroads have been short of freight cars, refrigerator cars, stock cars and gondola cars: there is no denying that. Is there anything about this in the estimates? What is the government policy to carry out a commitment they made in June and July last year with regard to a freight car leasing corporation?

Mr. Marchand (Langelier): Madam Chairman, the hon. member's questions are all related to the policy on which we have been working and which we want to announce. After that, the hon. member will be justified in saying we have forgotten a part of what we had intended to do. Of course, the situation this year is not the same as last year when we had a shortage of not only hopper cars but lumber cars and even box cars. There has been no such shortage this year. Of course, the economic situation is different. We have instituted a monitoring system which has helped us to a certain extent in attaining better productivity from our cars. The hon. member's question concerns something which is supposed to be integrated in the general policy we are about to produce.

Mr. Benjamin: I will move to another specific item in the commitments made by the government in June and July of last year and repeated in the communiqué issued on February 24 as a result of the conference in Calgary between the minister and his counterparts in the western provinces. It has to do with the freight rate structure. The minister and his counterparts said the principles on which they were going to act, led by the Minister of Transport, included rate groupings, a reduction of horizontal increases, maximum rate restrictions and the anomalies in the long haul-short haul of raw and finished products.

These anomalies have been compounded twice in the past six months. As a result of the public statements made by the presidents of both railroads, I understand they will be compounded. I remind the minister that the spread between shipping live cattle and dressed beef from Saskatoon to Montreal, Ottawa or Toronto, used to be 91 cents a hundredweight more for dressed beef than live cattle: it now costs $1.17 more a hundredweight. Since January 1, the spread has increased by 26 cents a hundredweight. That flies in the face of the communiqué of February 24 with regard to anomalies between raw and finished products. The packing industry in western Canada is in great difficulty.

The minister has allowed, in violation of the February 24 communiqué, a horizontal increase. That is violation number one of four items in the communiqué. Second, there is a violation of item number 4 in that communiqué with regard to the anomalies between raw and finished products. What is the minister going to do about that? What legislation does he have to give the authority? Are we going to get it? What is in the estimates concerning the commitments that were made by the Liberal Party during the election compaign and the February 24 communiqué?

Mr. Marchand (Langelier): Madam Chairman, we never said, and never will say, unless the policy of this government changes, that there will not be increases in rates in Canada. The western ministers and I spoke about rate grouping and horizontal increases; that is true. We also talked about a few other matters. We will stick to the policy we agreed to with the western ministers. New across the board increases which concern mainly what are called the class rates, and dont't forget this is only 4 per cent of the revenues of the railways—

Mr. Benjamin: That has nothing to do with it.

Mr. Marchand (Langelier): It has something to do with it. If we look at the items and how they are broken down, we see all the categories with all rates increased, and it is not an across the board increase. The hon. member knows what an across the board increase is. Anyone connected with the labour movement knows that it means the same amount for everyone. The railways have not done that. Even if all the rates have been touched, the increases have still been selective. Therefore, we need to have the same definition for what across the board means and what actually happened. As far as the rest is concerned, we are still working with the western ministers so that the policy that was announced is implemented.

● (1700)

Mr. Benjamin: There is another item which has been hanging fire for four years or so. If the cabinet has made a decision on it lately, I regret my ignorance. I refer to the rates on rapeseed oil and rapeseed products. The western provinces appealed a decision of the Canadian Transport Commission in March of 1974. Has the cabinet made a decision yet and, if so, what was the nature of that decision? This matter goes back to a legal dispute between the shippers and the railways, the provinces supporting the producers and shippers. An appeal was made to the cabinet. What happened?

Mr. Marchand (Langelier): We are waiting for a supplementary report from the CTC and we have asked that this report should be made available as soon as possible. The question of rapeseed rates is a very complicated one because it is related, to a certain extent, to the Crowsnest pass rate system. We have to judge what the impact is likely to be and, of course, we take all the time we need in order to protect the farmers of the west. We are expecting

this report, but I can tell the hon. member personally that this is one of the most complicated problems which has ever come to my attention in the Ministry of Transport.

The Assistant Deputy Chairman: Order. The time allotted to the hon. member has expired. Before recognizing the hon. member for Hastings, I should like to inform the committee of the questions to be raised tonight at the time of the adjournment. They are as follows: the hon. member for Rocky Mountain (Mr. Clark)—Health—Asbestos levels in Lake Superior; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Fisheries—Exclusion of some areas of Newfoundland from compensation program; the hon. member for Brandon-Souris (Mr. Dinsdale)—Air Transport—Service for southwestern Manitoba and southeastern Saskatchewan.

Mr. Ellis: Madam Chairman, there are so many questions which could be asked during the time available for questioning the minister that it baffles the mind, especially as so few answers are apt to be given; it has been extremely difficult to get information from the minister during the year. During the first session of this parliament some 346 questions were directed to the hon. gentleman or, in his absence, to the parliamentary secretary or, once in a while, to the acting minister of transport. This figure does not include the number of questions on the order paper or questions about transport directed to other ministers from time to time. Of those 346 questions, about one-third concerned railways—half of those on freight rates—and approximately one-third related to air transport. A large number of the latter concerned Air Canada; and there were, of course, a large number of questions lately on the popular subject of dredging.

However, we are not receiving answers to these questions. I have directed a good many questions to the minister, but most of the time we get from him a statement that the subject is under study, that he will inquire into it. In reply to one question which I directed to the hon. gentleman some time ago, I got the one word, "Soon". That was about a month and a half ago and I have received no further information since then.

This being a committee of supply, questions ought rightfully to be addressed, I suppose, to the increase which has taken place in the department's budget. My hon. friend from Lisgar asked a number of questions with regard to public relations. I recall asking similar questions in the Standing Committee on Transport and Communications and these, in turn, prompted me to make further inquiries. I will read through some of the questions and then give the minister a chance to answer them.

The increase in the cost and size of the department has, frankly, shocked me even against the current background of inflation. For example, the budget for the headquarters of this department has increased in three years by 108 per cent. Madam Chairman, this bears no relation to any increase in costs that we have seen or any indices which are available to us, which leads me to believe that these increases are actually leading inflation, not following it, and that they are the root cause of inflation in many areas.

I recall being involved in a discussion regarding one specific area of marine transportation. I might say I admire the minister's frank answers to certain questions even when such answers might obviously be somewhat embarrassing. I asked a question concerning marine transportation and I remarked there had been a 32 per cent increase authorized in man hours during 1975. I was curious how all these people could be employed—whether they were being used for cannon fodder or something like that. We were given to understand that studies were going on concerning two different types of ice-breakers. The minister himself brought out the fact that the department was actually engaged in studies concerning three different types of ice-breakers. I admire his frankness, but surely it would be possible to carry out one study directed at three types or ice-breakers rather than three studies of ice-breakers.

I am not being critical of individuals, but one day I did a rough calculation of the number of staff on hand during the committee hearings and found they outnumbered the members supporting the government on the committee, they outnumbered the members of the opposition, they outnumbered the spectators and they outnumbered the committee staff. My estimate was that it would cost between $10,000 and $15,000 to pay the salaries of the staff present during the hearings of that one committee. One of my hon. friend points out that they almost outnumber us in the chamber this afternoon. It is gratifying to see them here, in a sense, but my point is that with so many members of the staff available we should be able to get answers to some of the questions we ask.

In reply to one of the questions we asked in connection with transportation safety, the answer was given us in a document prepared by the Canadian Transport Commission. I know the minister does not feel that this commission comes under his authority, but reference was made in that reply to setting out a conceptual model for defining the socially optimal level of safety. Madam Chairman, what in heaven's name is a conceptual model for defining the socially optimal of safety? As I have said before in this chamber, I am just a huckleberry from Hastings county. But does the minister really know what that is? Apparently it is a tool. It says here it is an important tool. I don't know what kind of tool it is, but I get a little upset about the use of that kind of language, considering that a number of people we have here should be able to speak English.

With the range of questions open to us, I know I could go on for two hours without running out of questions. However, I want to put a few specific questions to the minister, in the time I have left, regarding the amount spent on consultants by his department. Again I hark back to the very large staff the department has. I remember at one time I facetiously asked the deputy minister whether he had brought the whole department with him, but I was assured that he had brought only a very small portion along. I have had individual dealings with members of the staff and there is no question that they have some very talented people. But with this wealth of talent, why do we make extensive use of consultants?

● (1710)

I should like to ask the minister to be good enough to give me an answer in respect to some of these examples. The first is a firm from New York city, John J. McMullen Associates, on whom we spent $46,000 to design a flame

stabilization system for a railcar carrier. Another firm, R. L. Banks and Associates, of Washington, D.C., received a contract for $260,000 to study railway pricing methods and the effect that such methods have upon national and regional economics in Canada. Then a firm called Bruce Mallen and Associates—I like this example particularly—received a contract for $27,500 to undertake up to 700 interviews relating to motivational aspects of the private industry in Canada and provide information in tabulated form. Once again, Madam Chairman, why would we spend $27,000 to find out what any business student could find out in a very short time, and probably knows anyway? Another firm, Hedlin Menzier and Associates, received a contract for $153,200 to provide assistance in the development of an initial exploratory forecast for transportation in Canada and to assist in a final report. Once again, this poor huckleberry from Hastings county has trouble understanding why we are spending $153,000 on this.

I see my time has just about run out, so perhaps we could have some idea from the minister why it is we spend hundreds of thousands—yes, millions of dollars hiring consultants when we obviously have a very talented staff at our disposal.

Mr. Marchand (Langelier): Madam Chairman, the hon. gentleman wants to know why some of the answers are not satisfactory. I suggest he has only to read the questions that he just asked a few minutes ago. I do not know how any intelligent man can intelligently answer such questions. He simply cites the figures without disclosing what is behind the figures, what is behind the research, whether it is important or not. Because we speak about concepts and conceptual frameworks or schemes, he finds it difficult. I do not find it very difficult; it is easy. Anyway, I will copy the questions he has asked and I will send them to all the people in my riding so they can see what kind of questions are put to the Minister of Transport.

Mr. Nielsen: You will probably get some answers, too.

Mr. Marchand (Langelier): I will double my majority.

Mr. Ellis: On a question of privilege, what does the minister think I am going to do with some of the answers he has given me? I am going to send those to the people in my riding.

Mr. Marchand (Langelier): The first question had to do with the increase in overhead of 108 per cent, which is quite an amount. I must repeat what I have already said; if the hon. member had had a pencil at the time he would not have needed to ask the question. Some 45 per cent of this increase is for the Cornwall institute, and this is a 20 per cent increase in man-years. That adds up to 65 per cent. As for the rest, I will find out and give him the details, but it is something that can be easily answered. There is no scandal. It is the kind of increase we meet almost everywhere, in all institutions and in all departments, and even in private enterprise.

As for contracts that are awarded outside the government, a case can be made on that, too, but not in the way the hon. member made it. For example, should we have a permanent staff of engineers to build airports, or should this be done under contract by outside engineers? Should we have a group of architects that are civil servants, and should we tell them to design all buildings for the government, or should this work be done under contract by outside architects? We do have, of course, a corps of engineers and a corps of architects who exercise control and help us in our work, but the best way is to get some outside engineers on many occasions. Take an airport like Pickering or Mirabel; we do not build those every day.

Mr. Oberle: That is not what the hon. member asked you.

Mr. Marchand (Langelier): He simply referred to contracts without defining anything.

Mr. Oberle: He told you what the contracts were for.

Mr. Marchand (Langelier): As for professional and special services, these totalled $85 million for the department, $53 million for the government and $32 million for outside firms. I agree we can discuss the philosophy of this, but not the fact that specific contracts were awarded.

[*Translation*]

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. minister, but his time has now expired.

Mr. Munro (Esquimalt-Saanich): Madam Chairman, I have a few questions I wish to put to the hon. minister.

First, I should like to ask him a question concerning an inquiry he ordered to study the causes of losses of lives and fishing vessels on the Pacific Coast. He ordered that inquiry recently, and I should like to ask him whether he has yet received the report and whether he intends to include in the legislation the recommendations contained in the report.

Mr. Marchand (Langelier): Madam Chairman, we have received the preliminary report, the report on the first inquiry on the above-mentioned causes; this report, as such, is not for publication for the obvious reason that several of the witnesses who appeared before our own investigators would refuse to do so if they knew that their names would be used publicly. Whether you like it or not, that is the way it is. Usually, in such circumstances a formal inquiry is held afterwards and is used as basic documentary evidence.

In this case, the preliminary report is complete enough to allow us to readily suppress names and to submit a substantial summary so that members of parliament are made aware of what happened. As soon as I can have the report translated into French, it will be tabled in the House.

Mr. Munro (Esquimalt-Saanich): I wish to thank the minister for his clarifications on that subject.

● (1720)

[*English*]

I should like to refer to another matter that relates to confused or combined jurisdictions as between the Department of Transport and the Department of the Environment. This occurred at a time when the minister's depart-

ment was responsible for certain shore rights and concluded an agreement with the developer of a marina at West Bay, near Esquimalt. I have had correspondence with the minister, and the confusion is being compounded. I have been assured by the minister that everything is in order and that the developer has fulfilled the terms of the contract and there have been no written complaints. I should first of all like to read into the record a portion of the terms of the contract completed between the department and the developer. It states:

> That the lessee shall not . . . do, suffer or permit to be done, any act or thing in or upon the said land which shall or may be, or might become an annoyance, nuisance or disturbance to the occupiers of any lands or premises adjoining or in the vicinity of the said land—

There have been letters from people who are living in an area adjoining this West Bay marina which was developed when the Department of Transport had the responsibility. People living in areas overlooking this marina have written me and I have sent copies of each of those letters to the Ministry of Transport. To suggest in writing to me that there have been no written complaints is not right. There were no written complaints to the municipality, and that is the context in which the reply was made, but there have been written complaints and the minister has them on his file. If he does not, I will certainly provide them.

The municipality resisted these written complaints and suggested these people should write to their member of parliament or to the Ministry of Transport. I feel there has been an attempt at a run-around here, in two senses: firstly, there is the suggestion that the terms of this contract have been lived up to. That is not the case, and I do not think it is right or proper for the Minister of Transport to indicate to a member of parliament that the terms have in fact been fulfilled when they have not. Secondly, as a result of the transfer of responsibility from the Ministry to Transport to the Ministry of the Environment there has been an attempt to suggest it is no longer the business of the Minister of Transport but that it belongs to the Minister of the Environment. This is just not good enough. The government has signed the lease; the minister signed in the capacity of a minister of the Crown. He has bound the Crown and the other signatory to perform certain things. To suggest now that this lease is being fully fulfilled is something I will not accept. I am going to keep at this until I get a satisfactory answer. Is there any clarification the minister or his officials can give now in respect of this matter? If that is not the case, I have a number of other questions.

Mr. Marchand (Langelier): Mr. Chairman, I will have to refresh my memory on this matter. Let me remind the hon. member of two things. Marinas have never been under the jurisdiction of the Department of Transport, but always under the jurisdiction of the Department of Public Works. We do have what we refer to as the small craft harbours act which was operating under the jurisdiction of the Department of Transport but was transferred to the Department of the Environment. Perhaps this is what the hon. member is referring to. If he is referring to a marina, then we have never had jurisdiction. This jurisdiction was transferred to the Department of the Environment a year and a half or two years ago.

[Mr. Munro (Esquimalt-Saanich).]

I would ask the hon. gentleman through you, Mr. Chairman, whether he thinks I am the one that should be responsible, even if I signed the agreement, when that jurisdiction was transferred? The hon. member refers to an agreement that I do not remember. I will have to refresh my memory. If I signed that agreement, then the responsibility now lies with the Minister of the Environment. I do not suggest the government has been liberated from its responsibilities, but if there are some objections, they belong to the Minister of the Environment and not to the Minister of Transport.

Mr. Munro (Esquimalt-Saanich): I thank the minister for that clarification and I point out that he signed the agreement in the name of Her Majesty, in right of the Minister of Transport, on April 26, 1973. The transfer of jurisdiction was subsequent to that but the binding aspect on the Crown is the same. What I object to is the issuance of erroneous information simply because the matter is now in the hands of another department. There are facilities for interdepartmental consultation.

There is another matter of interdepartmental relations to which I should like to refer. This is in relation to the loss of four tank cars filled with chlorine in the Strait of Malaspina. This happened about six weeks ago. The Minister of the Environment and the Minister of Transport have been saying different things about this. While I received some assurance the other day in committee, I should like to know whether the Minister of Transport will carry out the necessary salvage operations or make the facilities available to the company which claims to have found the cars containing this highly polluting material. Perhaps the minister would answer my questions.

Mr. Marchand (Langelier): I have just received this information, and have not been trying to withhold it. I am told that a search has been made and the chlorine rail cars have been found in deep water. I am informed that they intend to use a manned submersible in order to inspect the site to determine what can be done.

Mr. Munro (Esquimalt-Saanich): Again, I think these clarifications are worth having on the record. I am delighted we have got that far. We have to go a step further. We must get these chlorine tank cars out of the water. I understand there are facilities the Department of Transport can make available to a private contractor to undertake the salvage operation so that this pollutant will no longer be of danger to the community.

I should like to refer to earlier questions I raised in the House about safety measures for small craft, particularly commercial craft including tugs and fishing boats. Last October there was a question raised about the requirement of detector buoys or devices installed on tugs. I understand that regulations to that end were drawn up and ready for implementation, but there was some hesitation on the part of tugboat owners because of cost. I should just like to know where we are on this matter now because, for example, this would have saved a great deal of time in the search for the fishing vessels which were lost at sea. Has there been some device on which aircraft or other vessels could home? This might even have saved some lives. So far as I know, 14 lives were lost on that particular occasion in a very short time, a matter of ten days, and some 10 or 11

vessels. The installation of such safety devices on board commercial vessels before they put to sea would assist enormously in finding them in time to save lives and, of course, the vessels and their contents. Are we any further ahead with these regulations?

● (1730)

Mr. Marchand (Langelier): Madam Chairman, I will answer in greater detail after the dinner recess, if I have the opportunity. However, I remember very well—and now I am speaking from memory—that it was impossible to install these devices even in small tugs because the devices were too heavy. I do not say that we cannot find a device for smaller craft. Perhaps we can and perhaps we should, and this is what we are looking into now.

Mr. Munro (Esquimalt-Saanich): Do I still have some time left, Madam Chairman? May I ask a couple more questions?

The Assistant Deputy Chairman: Yes, the hon. member has some time left.

Mr. Munro (Esquimalt-Saanich): My next question relates to marine traffic control regulations. I believe there are some installations now being prepared or installed in Vancouver for remote monitoring of traffic coming in from the Pacific through the Strait of Juan de Fuca and up into the Straits of Georgia. There are LORAN or other similar types of radar installations along the coast so that incoming vessels may be followed. There are, presumably, shore to ship radio communications installed, and a general program for bringing in the ships in very much the same way as aircraft are brought in for night landings or through fog. In addition to the work being done by Canadian authorities, what consultations are there with Americans to combine their particular traffic operation with any operations on the Canadian side—a starboard-in starboard-out type of operation, for example?

The Assistant Deputy Chairman: Order, please. The time allotted to the hon. member has now expired.

Mr. Fleming: Madam Chairman, I want to take the opportunity today to discuss a couple of areas in transportation that are of real concern to me. Earlier I heard one hon. member opposite, I believe from the Stratford area, discussing rail passenger traffic in southwest Ontario. That subject does not have a great deal of direct effect on my constituents but it is something about which I have some personal knowledge, having grown up and moved through different places within southwestern Ontario, and having relatives living in the area of the Bruce peninsula.

I am sure the minister does not have to be reminded of the unanimous agreement of the Standing Committee on Transport and Communications in the 1968 to 1972 parliament that railway passenger transport should be put back into full operation in the general southwestern Ontario grid complex. I should simply like to encourage the minister, if I can, to give this the highest priority possible when he is considering the over-all issue of developing a general rail policy in Canada. I am sure the benefits of such a program would be overwhelming for the people of southwestern Ontario, and of other parts of the country, where there is density of population and where railway systems are not being put to their full use. I have the same sympathy for the development of efficient rail passenger systems from isolated communities of some population to more densely populated communities.

When you consider the cost and efficiency of rail traffic as against the passenger car—the railway car handling 40 to 60 people versus 30 or 40 automobiles for the same number of people—when you consider the fuel factor, the cost of road construction and the use of viable farm land for such construction, one realizes—and I am sure the minister and his officials agree—that railways can play a vital role in the transportation policy that I spoke about in the last election campaign, and which I look forward to helping to develop as a member of the Standing Committee on Transport and Communications in this parliament.

In talking about the development of a rail grid in an over-all transportation policy I would like to suggest that another priority is the triangle formed of Ottawa, Montreal, and Toronto. It is vital. Often I hear from my friends in the west and in the east, and those who talk to me from the north, that attention is always focused on southern Ontario, Montreal, and Toronto. When I speak about the importance of a highspeed, efficient, rail system between these three cities—our two largest and most active commercial centres, as well as the nation's capital—I am not talking only of the benefit to the people who live within that densely populated triangle but also of benefits for the people from other parts of Canada who must do business with the government or with their counterparts in these cities. To them as well that kind of rapid communication between these three centres is vital.

It is not only passenger service for people within that area but also tourist traffic that would benefit from rapid communication so that people will be able to travel to our capital which has been developed, at the cost of so much Canadian taxpayers' money, into perhaps the most beautiful capital in the modern world. The Ottawa, Montreal, Toronto grid is vital to any national rail transport policy.

The second point I want to make is one to which I hope the minister will give serious consideration. I should like to spend a moment or two addressing myself to the issue of airports, and specifically to the problem we had with airports in the Toronto area. I think I have been one of the most outspoken people in favour of the development of the Pickering airport. I know that the minister and the government have taken a considerable amount of heat in finally arriving at that decision. I also have had the personal experience of meeting women who have to stay around the house in daytime and who suffer nervous breakdowns as a result of the tremendous noise pollution in the vicinity of the Toronto international airport. Coming from a very large riding with a population of 150,000 I can talk about 30,000 to 40,000 people living with noise levels beyond tolerance, so when I stand in support of the development of Pickering I think I stand in defence of my constituents and their right to a decent lifestyle in a proper environment.

You certainly cannot tell people in public housing who live along those flight paths, or the several thousands senior citizens who live in large complexes directly in line with the runways, that it is their fault and that they

should have known ahead of time about the disadvantages of living there. Nor could you say to the people who live in moderately priced homes in the vicinity of the airport and have lived there for 15 to 20 years that they should have been able to predict what technology would bring in the development of air traffic in Canada.

I am pleased that the government has taken this difficult decision and I believe that in the long run, if the government of Ontario can say no to the Spadina Expressway to protect people in the downtown core, to improve their health, and if the city of Toronto can stop the development of high rise business complexes in downtown Toronto for the protection of the environment, then our federal government is acting similarly to protect people who are not immensely wealthy but who have the right to a decent environment.

Having said that, I noted in my mail in the last week or two considerable concern about the announcement of plans for passenger terminal expansion at Toronto international airport. An assurance was given in 1968 when the minister of transport at that time said that there would be no new runway expansion, and no new expansion of existing plans at Toronto international. But he also said that did not mean they would not go ahead with the plans as they were then on the books; these would have to be proceeded with because of a projected increase in traffic, and there would have to be adequate passenger facilities. I have explained that to my constituents who have written to me, and I support the minister. I know he is living up to the word of the government of that day when he announces that there will be some expansion of Terminal 2.

● (1740)

As I see the expansion which has now been announced; it will still not be as great as that which was on the books in 1968 when the commitment was made. But having talked about people in my area having hope of relief some years down the road because of Pickering, and knowing that in Pickering, thank goodness, we will have learned from mistakes in planning and lack of foresight at all levels of government which could not foresee the development and rapid advance of air passenger traffic at Malton, I hope similar mistakes will not be made at Pickering.

Comparing the number of people who will be displaced at Pickering with the number of people in areas beyond noise tolerance in my area, the percentage at Pickering is minuscule indeed. Meanwhile the proper buffer zone can be put in and still leave far fewer people disrupted. And I suggest that in many cases people who live in that area come from other parts and have taken the opportunity to live in older homes and have advantages most Canadians do not have.

The argument about losing excellent farm land is nonsense, to my way of thinking. I know the area extremely well, and a great deal of that land is occupied by gentleman farmers or landed gentry, in the sense that they do not work the land. In some cases they do rent it to farmers, and more will be in use as farm land with the development of Pickering than at the present time.

It concerns me that in my area, with the expansion we have because of the new terminal facilities going in at

Toronto international, and because we know Pickering, even in its most minor development, will not be operational for several years, my people will not only not gain immediate relief from the very real noise problem they have, but the noise will grow worse until Pickering is started. When Pickering brings them relief, they will be lucky if it rolls back to the current intolerable level.

I wonder therefore, if the minister is giving consideration to ordering the installation of noise suppressors on Canadian aircraft. I realize it is difficult with international carriers, but Canadian aircraft carry the majority of passengers in Canada. I wonder whether the department is considering forgiveable loans, say forgiveable loans according to the sizes of the fleets of the airlines involved, and whether it would even consider, as a priority, trying to modify noise levels on the worst offenders, which are the DC-8's, if I am not wrong.

Mr. Alkenbrack: Madam Chairman, I have a couple of points I would like to inquire about.

Mr. Fleming: Madam Chairman, on a point of order, have I used up all my time? If not, I wonder if the minister might respond to my questions.

Mr. Marchand (Langelier): Madam Chairman, I agree entirely that we should improve and exploit, much more than we have, the passenger train system. As far as the parliamentary committee is concerned, I hope that we will have the opportunity of discussing that, because there are many aspects. We have met several times with the government of Ontario to study which lines to develop. We have an agreement on the Richmond line, and we are about to reach an agreement on another line, which corresponds with the suggestions of the hon. member.

I agree entirely that we should use passenger trains much more than we have in the past. There is no doubt that there is a natural corridor where the bulk of the population in Canada resides, from Quebec city to Montreal, Ottawa, Toronto and Windsor. In this corridor I think there should be a very efficient passenger train service. I agree with the hon. member on that too. These are not the only places in Canada where trains are needed. Trains are needed in Vancouver, Hamilton, Calgary probably, Edmonton and Winnipeg. There are other places, but I think there should be good service where there is a concentration of population. This is something we will try to achieve.

With regard to the airport, I think that the hon. member is aware that if we are having so much trouble it is because we stuck to our word. The people of Malton were promised that Malton would not be expanded in terms of runways, but there is no doubt that we have to expand in terms of terminals. If runways ever have to be extended, they will be extended without increasing the noise level. It is not only the noise of an aircraft which is important, it is also the frequency of the noise. We have to take both elements into account. We must consider the number of planes landing and the noise produced by each aircraft. When Pickering is in operation there is no doubt that it will have an impact on Malton, unless by that time the number of flights has increased so much that the present situation at Malton recurs. We cannot of course foresee

exactly what type of aircraft will be in the air in 1977 or 1978, but this is something about which we will be careful.

Mr. Alkenbrack: Madam Chairman, I have two points I wish to bring to the attention of the minister at this time. The first is that of railway crossing protection. I have always been interested in railway crossing protection, and I am sure all hon. members and the minister have always recognized its importance. Since we are now in a period of depression and unemployment, why could the government not start a concerted program, and an increased and enlarged program to instal railway crossing protection devices? In my riding alone we had two allocated for installation recently on CNR crossings, and there are two more crossings urgently requiring protection, one at the Forest Mills CPR crossing in Lennox and Addington county, Richmond township, and another at Glen Tay on the same line of the CPR in Bathurst township, Lanark county. I remind the minister that it would seem to be a good idea for us to press for more railway crossing signal devices.

My second point is a very unpleasant thing to bring up, but it is in regard to public safety, and I think it should be made known to the House and to the minister. I spoke to the minister some time ago about the Ernestown wreck last December 20 on the main line of the CNR at about 8.25 p.m. in the evening, of that day, where a westbound passenger train, No. 45, and an eastbound manifest freight, No. 318, were in a head-on collision. That collision took a total of four lives; two enginemen and a passenger lost their lives at the scene, and a fourth person died about a month later.

The blood of one of the engineers was analysed as having an alcohol content of .08. This was revealed as the result of an autopsy. This is the level of impairment recognized in highway traffic cases. In this age of increased use of all kinds of transportation, those who use the systems take it for granted that the person driving is sober, whether he be in charge of a train, bus, boat or aircraft.

● (1750)

The recommendations of the coroner's jury inquiring into the accident at Napanee are very important and I want to put them on the record for the guidance of the minister. I know he will press for these recommendations to be put into effect. The addendum to the verdict of the coroner's jury stated in part:

> Train 318 proceeded at a higher than recommended speed prior to the collision. The presence of alcoholic beverages found in the engine, and the presence of alcohol as determined by an autopsy, is a probable factor in the failure of Train 318 to stop at the designated signal.

This was no doubt the cause of the head-on collision. The jury made a number of recommendations, two of which I should like to put on the record. Recommendation No. 5 reads:

> To initiate a study immediately to determine the effectiveness of the General Rules of the Uniform Code of Operating Rules, the adequacy of the requirements of the rules and employee adherence thereto.

Probably the most important recommendation was No. 6 which reads:

> The railways should set up standard surveillance procedures to monitor the fitness of train employees reporting for duty.

That is the point I wanted to make this afternoon.

Recommendation No. 9 reads:

> All operating personnel should be given a more frequent medical examination which would include co-ordination tests.

That recommendation probably is not the result of the proof that alcohol had something to do with this accident. It is more or less a recommendation made in the interests of the general health of train crews.

I am sure the minister will appreciate the importance of recommendation No. 11 which reads:

> The conductor should meet with his train crew prior to boarding the train.

The conductor has always been the boss of the train, and that is still the rule. If the conductor met his crew before the train left I am sure he could see to it that the rules were adhered to and these recommendations carried out and observed as to sobriety of the crew.

That is all I wanted to mention and I would respectfully ask the minister to take cognizance of these things and to consult with the CTC and the railways to make sure these recommendations are implemented.

Mr. Marchand (Langelier): Madam Chairman, there is no doubt that we will get the report of the CTC on this accident. I agree entirely with the hon. member's comments on the coroner's report, although I am not sure about the effectiveness of the suggested meeting before the train leaves. I should like to discuss that and see if it is practicable. If the problem were not alcohol it might be drugs or something else, and the question is how we can control that. I really do not know. In this case it is referred to as being a probable cause of the accident, and it might happen sometimes on aircraft, which is even more dangerous. I think we should take all precautions we humanly can, but some of them are really useless. The only way is to fire the man and never let him drive a train again.

When we have the impartial inquiry suggested some people will have the almost exclusive duty of looking into the causes of accidents and their prevention. I think we can improve the system. I agree with the hon. member, and cannot put too much emphasis on what he has said.

Mr. Ritchie: Madam Chairman, I should like to ask the minister some questions about Air Canada. We know it is a troubled airline and there is an inquiry going on at the moment. My questions are not related directly to the inquiry but to criticism of Air Canada long before the inquiry was initiated.

Certain questions have been raised by newspaper columnists and I should like to take them up with the minister now. When dealing with Air Canada in recent months has the cabinet committee refused to accept Air Canada's budget for future purchases of aircraft? If so, did Mr. Pratte, Chairman of Air Canada, refuse to give an explanation when asked about the purchases?

Mr. Marchand (Langelier): Madam Chairman, we have not refused, we have agreed. I know that Air Canada cancelled ten or twelve aircraft that were on order, but they did that themselves.

The hon. member says that Air Canada is a troubled airline, and I take exception to that because it is not true.

Air Canada is a very good airline, one of the best. I believe that if the same kind of inquiry were made into other airlines we would find that Air Canada is better than most. We have not refused the budget of Air Canada because, if we had, it would not be flying today.

The Assistant Deputy Chairman: It being six o'clock I do now leave the chair until eight o'clock p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: When the committee rose at six o'clock the hon. member for Dauphin had the floor.

Mr. Ritchie: Mr. Chairman, may I ask the minister a few more questions about Air Canada? It has been widely reported that Mr. Pratte and Mr. Baldwin have engaged in a series of running battles since 1968, or since assuming command positions. At the beginning, was not Mr. Pratte's function to plan policy and make long-range projections and was not Mr. Baldwin, as president, to run the airline? Am I correct in this? was this the general plan? I believe the appointment of Mr. Pratte was a new departure for Air Canada.

Mr. Marchand (Langelier): Mr. Chairman, so far as I remember the job of Mr. McGregor was split in two and we appointed a president and first vice president, or chairman of the board, I believe, exactly as we did with the CNR. The head of the railway company was Mr. MacMillan, whose job was split in two. Now Mr. Bandeen is president of operations of CNR and Mr. Taschereau is chairman of the board. Something similar was done with Air Canada.

Mr. Ritchie: Mr. Chairman, is the minister aware of any long-standing disagreement between those two top officials of Air Canada in the last five or six years?

Mr. Marchand (Langelier): Mr. Chairman, no, I am not aware of all the personal relationships in our Crown corporations, as I have six or seven under my jurisdiction. If I were to decide to inquire into the personal relationships of officers, it would take up all of my time.

Mr. Ritchie: It has been suggested that the appointment of Mr. Long has created difficulties in Air Canada, that he has been given little responsibility, and that all vice presidents have direct lines of communication to the chairman of the board. In other words, it is suggested that Mr. Pratte had assumed much greater authority than he should exercise, and that is one of the reasons why Air Canada has become involved in misadventures. Is the minister satisfied that the top management of Air Canada is satisfactory, and is he satisfied with the way Mr. Pratte has carried out his duties in Air Canada?

Mr. Marchand (Langelier): Mr. Chairman, the hon. gentleman knows that I cannot very well answer such a question. If he were to ask me if I am happy with the

structure of Air Canada, the CNR, the seaway authority, the CTC, the Northern Transportation Co. Ltd. or the National Harbours Board, I would tell him that, generally speaking, I am not satisfied with the way Crown corporations are structured. There should be more uniformity in their makeup. I do not say they should all be exactly alike, because they do not all fill exactly the same functions. At present they are constituted in such different ways that I do not know if they are to report to me, to parliament, or to the department. They were established to fill different needs. For example, Polymer Corporation is quite different from the others. I think the makeup of some was determined largely by how Mr. C. D. Howe felt when setting them up.

Mr. Stanfield: Shame!

Mr. Marchand (Langelier): I tell you Air Canada is a good airline. Is there friction between the officers of the company? I do not know, but I presume so, because all my life I have been involved with organizations and I do not know of any, including the one of which we are members, which is a model for all organizations, in which there is no friction at all.

Mr. Ritchie: Mr. Chairman, it has been charged that Air Canada management below the top level has been subjected to what are known as reorgs. Apparently reorg has followed reorg, if I may use the company's vernacular, and the morale of long service employees at the middle level has been damaged. Does the minister feel that this charge is correct, and is it true that Air Canada executives below the top level have been subjected to an abnormal amount of interference, which has contributed to fear among employees?

Mr. Marchand (Langelier): Mr. Chairman, I have no yardstick with which to answer such questions intelligently. I know that some people like Mr. Pratte; others think he is not good. Some people told me Mr. MacMillan is a great man; others that he is not so good. Some people told me that Mr. Sinclair is tops; others that he is a bully. I cannot make any judgment of that kind.

Mr. Stanfield: What do people say about the minister?

Mr. Ritchie: Mr. Pratte has suggested at various times that Air Canada does not compare favourably with other airlines because it flies too many short haul routes. Does the minister think the airline makes too many short haul flights, and does he plan longer hauls for the company's aircraft? Also, are tariffs to increase for short haul flights, in accordance with Mr. Pratte's suggestion?

● (2010)

Mr. Marchand (Langelier): Mr. Chairman, we could have a very long discussion about how the long haul and short haul should be balanced. Because Air Canada is a Crown corporation owned by the state, it must do things that other companies do not do. For example, last year Air Canada lost about $1 million on the Montreal-Moscow route. As a state we feel we should have a link with Russia which is a very important country.

Air Canada is asked to provide certain services that we cannot ask private enterprise to provide. Therefore when

you compare the financial statement of Air Canada with another company's which does not need to meet these obligations, that is unjust.

It is true that in the airline business long hauls are much more beneficial than short hauls. Some companies prefer only long hauls, leaving the short hauls to other companies. However, Air Canada has to fulfill both jobs because we need airline service between Ottawa, Montreal, Toronto, Calgary, Edmonton and Vancouver. That is its duty. Even though it means a deficit, it is for the welfare of Canada. It does not have anything to do with the quality of administration of the company.

Mr. Ritchie: If Air Canada does not find short hauls lucrative, why did it oppose the application by Nordair to fly from Montreal to Sudbury and Thunder Bay? In presenting its case Air Canada proposed fares considerably lower than Nordair which expected to have losses for three years before building up any traffic. If Air Canada does not find short hauls to its liking, why in this case did it not allow the private company to take the loss? Why did it oppose the application to the CTC?

Mr. Marchand (Langelier): Mr. Chairman, are we going to give the short hauls to the regional carriers, the long hauls to CP and get rid of Air Canada? That is not the way I look at it. I do not want us to be in the same situation as the United States where there are many regional airlines. If an airline that starts flying from Hamilton to Winnipeg and eventually to Regina is classed as a regional carrier, I think that is stretching the concept of region.

The problem is that the regions are not very well served. The reason is that the regional airlines want long hauls because they have jets, and with jets there is only one way to make money, that is, to have long hauls. If we are going to give the long hauls to the regional carriers, let us sell the other two airlines. Maybe we should have five national carriers in Canada. That is nonsense in this kind of country.

Mr. Ritchie: Mr. Chairman, Mr. Pratte has mentioned that he does not feel regional carriers should be involved in the charter business to any extent. He suggests that regional airlines with 707's or DC8's should give up this kind of equipment to Air Canada. Does the minister agree with Mr. Pratte that Air Canada should be the only airline with charters, and that the regionals should not be able to enter the charter business, particularly if they cannot use the 707's and DC8's which, I presume, are the large types of aircraft?

Mr. Marchand (Langelier): Unfortunately I have not read that statement by Mr. Pratte. Possibly I could see the text. Mr. Pratte never mentioned to me that that is an objective he is trying to attain. There is another airline in Canada, Wardair, which deals exclusively with charters. We may very well have charters during the busy seasons so that the main airlines do not need to have five, six or seven large aircraft that will be used only during a short period of the year. However, I do not think there should be five or six national airlines in Canada because most of them would be bankrupt within a few years.

[*Translation*]

Mr. Gendron: Mr. Chairman, as the old saying goes: "If at first you don't succeed, try and try again." That applies, I believe, not only in literature but also in politics, since in order to reach one's objectives in politics, one must often try again. In the area that I represent, we have set ourselves the following objective: we are aiming to attempt to benefit fully from our geographical position and from our potential, to develop as fittingly as possible our part of the country.

I ask the House the following question: In the area of Windsor, in one area of Alberta or in any other area in Canada, would an unemployment rate of 30 per cent be easily accepted? Would it be accepted that municipalities, as there are some in my riding, where 90 per cent of the people live on social welfare, should have to demand positive and efficient actions from our government for the development of our country?

We have had in our area studies upon studies, more than anywhere else in Canada. The BAEQ cost $5,700,000 to the Canadian government; later on, we had various studies on transports, communications, regional economic expansion, representing expenditures of $10 million for an area of approximately 300,000 people. However, the Minister of Transport (Mr. Marchand), who was minister of Regional Economic Expansion, was the first to conclude that the studies were outdated, that at the very time conclusions were arrived at, the problems were of a different nature and that those conclusions did not really solve the problems that we faced.

We still face the same problems and the member who is now speaking to you is really aware of the problems of the under-developed areas. The people who were claiming the right to an harmonious development deserved more than statements and studies, but effective measures and a real leadership. In order to run for Parliament, I demanded that the Right Hon. L. B. Pearson promise, not only as future prime minister of this country but as leader of the Liberal Party of Canada, not to keep on with studies but to build a deep-sea harbour and provide for a year-round ferry service between both shores because I am one of those who, like Bossuet, believe that common sense is to be found in common people. It was believed that such was the essential tool for its proper development and that besides studies, there should be concrete projects to put an end to frustration and insure the people that the area in which they live has possibilities and that men in public life understand that.

I know that it is said in my party: Equality of opportunities to all Canadian people to benefit from the resources and advantages provided to us by this country and our political system of government. We believed that the development instrument we were asking for was essential to our development. Numerous studies had drawn the same conclusion. When we called for that project, it was not because we had ITT, Iron Ore or all kinds of big corporations backing us, but because we really wanted to benefit from our geographical advantages, from the fact that the St. Lawrence River has tremendous depths, as much as 1,000 feet, which would enable ships of the new generation to come to the inner part of this country, insure in our area a rational and normal development and revitalize all

the St. Lawrence Seaway, the harbour of Quebec and those of Trois-Rivières and Montreal.

And today the objections are basically the same as when at one time development of the St. Lawrence Seaway was sought; the port of Montreal objected to it because it was cut for a terminal function and it felt that with the extension of that seaway toward Thunder Bay it could lose that function. But after the St. Lawrence Seaway was opened, the port of Montreal saw its traffic increase five-fold so that if there were difficulties afterwards it is not because the seaway interfered with its development, but on the contrary it gave it a very large boom, and one should look for the problems elsewhere.

Today, there is a new phenomenon which is the new generation of ships. Are we going to turn that same seaway, as one slogan puts it, into a speedway for ships or are we going to continue as in the past to revitalize all along its shores industrial and commercial developments. Will we be stupid enough to give progress a cold shoulder, we who in the mining and energy areas, and in many other areas—perhaps that is not so accurate—but from the stand point of our resources and their development, are so dependent upon the United States that we will also be so for both the export and import of all our products. President Nixon himself stated that he would make sure they did not depend on Canada for their imports and exports; even if they did not have the natural seaports, they would build man-made ones in order to accomodate the new generation of ships.

Mr. Chairman, I do not think I could illustrate the feeling of frustration that exists in my area better than by reading textually a resolution of the city council of Rivière-du-Loup, adopted on Monday May 5, 1975, which reads as follows:

Whereas the Department of Transport of Canada has already stated that the Canadian government would do nothing more for the Gros-Cacouna port as long as a serious plan would not be issued with respect to its use;

Whereas the Havre-Champlain (Scott-Misener) company is ready to carry out in Gros-Cacouna a very important project for the loading and unloading of bulk dry cargo and has for many months submitted that project to the federal as well as provincial authorities;

Whereas, after reviewing the said project, the Minister of Transport of Canada said the federal government would make no decision in that respect as long as the port policy of the government of Quebec would not be known;

Whereas the aforementioned policy has been known for over two months and whereas the premier of Quebec said publicly at the beginning of April 1975 that the government of Quebec fully supported the development of the port of Gros-Cacouna and approved of the Havre-Champlain project, which the Quebec minister of Commerce himself did several months earlier;

Whereas, in spite of all the aforementioned, the minister of Transport of Canada is still hopelessly reluctant and, according to medias, wrote very recently to the premier of Quebec and told him that the federal government would not commit itself blindly into the development of the Gros-Cacouna port, and before anything was decided, the Canadian government and the government of Quebec would have to undertake joint preliminary studies . . .

Studies again—

. . . into the cost of facilities and the feasibility of a mixed (government and private) ownership system for the Gros-Cacouna port facilities; Whereas all those hesitations . . .

This is a polite way of putting it when you consider the frustration that exists in my area—

[Mr. Gendron.]

. . . seem to indicate that the federal government, rather than approving a job creating project, prefers to see 15 to 30 per cent of the people able to work collect unemploymant and welfare benefits;

Whereas the citizens of our area are fed up with studies of all kinds and know that several studies have already concluded in favour of the port of Gros-Cacouna (Brochu, Sorès, Camus, Lalonde & Valois, C.D. Howe, etc. reports);

Be it therefore resolved,

Councillor Roméo Bossinotte moved

Seconded by councillor J.-Jean Dionne,

That this council: 1) urge most strongly the Minister of Transport and the government of Canada to approve immediately the Havre-Champlain project for the ferrying of bulk dry goods to the port of Gros-Cacouna;

2) invite the Minister of Transport of Canada to come, in the last week in May or the first days of June, 1975, and meet with the municipal council and representatives of the Rivière-du-Loup Industrial Promotion Corporation, the Gros-Cacouna Port Promotion Committee and the local Chamber of Commerce, for a frank and constructive discussion about the port of Gros-Cacouna.

Mr. Chairman, my questions deal with those two resolutions: approval of the project and discussion with local authorities—

● (2020)

[*English*]

The Deputy Chairman: The hon. member for Okanagan Boundary.

Mr. Gendron: On a point of order—

The Deputy Chairman: I am sorry. I assumed the hon. member had completed his speech.

[*Translation*]

Mr. Gendron: No, Mr. Chairman, this is not a speech but a point of order. We did agree that the hon. minister's time in replying would not be counted as time taken by the hon. member who was asking the questions, so I would like the Minister of Transport to give an answer to the quite relevant questions I asked him.

Mr. Marchand (Langelier): Mr. Chairman, as I have mentioned several times in the last few months, I understand that the members of the House are rather impatient, because they are anxious to see the result of our efforts not in the field of the reorganization of our Department, but of the reorientation of its economic and social philosophy.

The port system, Mr. Speaker, is one of the issues that were examined in depth. One of these studies was followed by the Scott report, because Mr. Scott was responsible for it. This report must still be dissected before it can be handed to me officially and then presented to the cabinet. I realize quite well that my hon. friend from Rivière-du-Loup is defending as always his constituents with a lot of enthusiasm and sincerity and I cannot blame him for that. However, I could not at this time state my views on the Gros-Cacouna project as long as there has been no final decision on a port development policy for Canada.

What is taking place in the area of ports is similar to what is taking place in other areas—and this is in line with a suggestion I have already made in the House—a number of ports come under the National Harbour Board,

others under port authorities or private administration, and still others under the St. Lawrence Seaway Authority. We are trying to tidy up the whole port facility scheme, so that each port may serve its own purpose and refrain from destructive competitive action.

That is the problem we are faced with now and why Gros-Cacouna has yet to receive a reply. I take due note of the resolutions which have been adopted, even if I feel some of them should be redrafted, but I appreciate the reasons they were put together this way, in view of the very serious problems the area as a whole, but more specifically the Rivière-du-Loup, region is faced with.

● (2030)

[*English*]

Mr. Whittaker: Mr. Chairman, entering into this debate tonight on the Minister of Transport's estimates, I welcome the opportunity. The main question I should like to mention is freight rates in the interior of B.C., or the non-competitive freight rates, and whether or not they are fair; and exports into the United States and whether the transportation companies of Canada are holding their end up in this export field.

We in the interior of B.C. have been long suffering as far as freight rates are concerned, and I should like to take the few minutes at my disposal to explain some of the reasons. I have been involved in freight rates for the fruit industry of British Columbia for quite a few years but it seems we are not able to get our points of view across.

Since becoming a member of parliament I have had many representations from people in the industry in my riding, complaining and talking about freight rates and how they seem to be discriminated against. We are, of course, in a non-competitive area and it would appear that the transportation companies take whatever the traffic will bear. A couple of weeks ago when we were in Prince George hearing representations from many of the industries there, almost every organization that came before us had something to say about freight rates. It sounded exactly the same as what we had been going through in my riding for years in the fruit industry.

I had a phone call today from a businessman in my riding who did not know or realize that we were going to enter into this debate, but what he told me is similar to what has been going on for a number of years in the interior of B.C., where it would appear there is a non-competitive rate and that transportation companies take whatever the traffic will bear.

For instance, you can ship to Vancouver from eastern Canada and back to Prince George for less than you can ship through the CNR directly to Prince George. The marshalling yards in Vancouver become crowded and they have a lot of problems there resulting in the tie-up of freight. Nevertheless, with the type of competition there, you can go into Vancouver, and in fact from there into the interior, for less money than if you go directly into the interior itself.

I think the first time I was exposed to these freight rate anomalies was when I found that we could load apples in Kelowna, ship them to Winnipeg, unload them, put them in cold storage, a month or so later take them out of cold storage, load them up again, ship them to Florida, and get a rebate on the freight rates. That sort of thing was actually happening. What did we do in order to be able to get some competition? We would actually truck fruit across the border, load it on to American rail lines, send it to a border point just south of Winnipeg, unload it, put it on trucks and send it up to Winnipeg, and it would be cheaper to do so. We had to do this kind of thing to show up our situation. The businesses in B.C., most of them small businesses, were not able to do this.

The result was that we could get agreed charges. This was quite good. We could get these agreed charges until the last few years. The railways were not able to supply enough, or did not supply enough cars to hold up their end, and so the agreed charges had to go; they could not ship the percentages they agreed to ship, although they would have liked to charge for them.

In the last two or three years we have had a shortage of rolling stock to roll fruit from western Canada, British Columbia, to eastern Canada. What happens is that the market gets filled by our competitor to the south, the United States. There was never any shortage of fruit in eastern Canada, but it was not Canadian fruit, mainly because we could not get the rolling stock from the railways. Today they are negotiating with the railways for some piggyback trailers on an agreed basis.

I am sorry to say that when these people asked me last fall, "What are we going to do? Are we going to get any transportation policy? Is our government going to do something about transportation in Canada?", I had to say to them, "I am sorry but the Minister of Transport gets up in the House and says that transportation is in a mess. We have been asking questions and we have had days of debate, but I would tell you that you had better get out and do some negotiating of your own because you are not going to get much of a transportation policy as far as I can see. You have to move your fruit to market; you have a responsibility to get it there". So now they are making contracts. They are looking for contracts today, and the contracts are all in the transportation companies' favour. This is why I say that we in the interior of B.C. are having a problem with non-competitive rates. I should like to ask the minister whether he has looked into these non-competitive rates, and are they fair?

● (2040)

I should like to say a few things about exports to the United States of our fruit and lumber, as well as other products from British Columbia. Industries there are getting absolutely nowhere with the transportation companies in respect of exporting products to the United States. These exports are very important to Canada's balance of trade position, as I am sure the Minister of Industry, Trade and Commerce would confirm. Are the transportation companies holding up their end in respect of these exports, making sure that we are able to get our products to the United States? Has the Minister of Transport told these transportation companies in Canada that they have a responsibility in this regard, or are the railway and transportation companies just saying there is no way that they will have a part in this?

I can assure the minister through you, Mr. Chairman, that the fruit industry in British Columbia is getting absolutely no co-operation in the export of its products to the United States. Those are the two main questions I wanted to ask today, and I hope the Minister of Transport is doing something about these situations.

Mr. Marchand (Langelier): Mr. Chairman, in addition to problems in respect of rates there were problems last year in the movement of fruit from the Okanagan Valley. I have been requested many times by members of parliament from that region to find boxcars in order that fruit can be exported expeditiously to the United States. However, when the hon. member states flatly that these companies did not receive any help, I suggest that is not true. I succeeded in convincing the CNR to send a certain number of boxcars for the purpose of exporting fruit from the Okanagan. Perhaps the CN did not provide as many as the industry wished, but there was a certain number sent at the request of the government, or because of the pressure of the government.

There was also a shortage of cars for the movement of lumber, as the hon. member mentioned. At that time we talked about the creation of a company to keep rolling stock in reserve so that when there are peak production periods this company could provide the rolling stock necessary, and in this way avoid any possibility of losing our markets.

The hon. member suggests that we should not rely too much on new policies because they may take a long time coming into place, or they may very well never come. Those who are aware of the history of transportation in Canada will realize that if, and I underline the word if, in a few months we can really produce a new policy in the field of transportation, we will have achieved something that has never been achieved since Confederation.

I am reminded of one inquiry on the subject of pilotage. In that case it took Mr. Justice Bernier six years to produce his report. I think probably he is entitled to his pension.

An hon. Member: So are you.

Mr. Marchand (Langelier): Well, not yet. The report of the MacPherson Commission, as well as reports in respect of other inquiries, took years to produce, and years before we had any new policies on transportation. Of course you can say that you do not believe a new policy will be produced until you see it. That is a normal attitude and probably the same one I would take if I were sitting in the hon. member's seat which seems, on the basis of comparison, at this moment to be better than mine.

This is one of the problems which exists and which we are trying to correct because Canada is an exporting country and it is very important for us that we have fast, accessible and cheap transportation in order to maintain our export position and protect our international markets. This is vital, but of course transportation alone cannot accomplish this. If our ports are paralyzed because the grain handlers decide not to load the grain, we have problems. We in Canada should not have the kind of problems we had two years ago, which was a good year for fruit and a good year for lumber. At that time it was impossible to provide enough cars to move total production. This is one of the difficulties we are trying to solve. You may not believe that we will succeed. I have no evidence to produce in support of my belief that we will, other than my good faith that we will succeed.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I must say that at first sight, I like the procedure now being tried out in the House. It allows members to set forth problems that are peculiar to each of our areas and to take stock of the problems of interest to their area. I shall mention in support of my statement the remarks made by the hon. member for Rivière-du-Loup-Témiscouata (Mr. Gendron) a few moments ago. I think that the manner in which he has stated the problem of concern to him and to the entire population proves that our present procedure makes for a truly open discussion. Every member in the House tonight and every member who will read *Hansard* tomorrow may appreciate the seriousness of our proceedings.

Mr. Chairman, I know that the Minister of Transport (Mr. Marchand) is responsible for a large department since it deals with surface, water and air transportation. The minister is no more amphibious than the member now speaking. The minister must be constantly aware of transportation problems and it is not always easy to solve them in a few words. It is obvious that he needs numerous officials. Besides, we have proof of this tonight in the House. There are some on the floor of the House and there are probably two dozens in the galleries who are following the debate. The minister is not in a position to know them all; it would be asking too much from him. However, they must trust him.

It happens that in his department like in others, some bureaucrats take themselves too seriously and think that the Department of Transport is their own business. They forget that members of Parliament are answerable to the people.

Having said this, I should like to take advantage of the consideration of the Transport estimates to deal with a problem which is not new, namely the dredging of the channel the water from the St. Lawrence to the Montmagny wharf. Last year—and the minister will surely remember, when the Department of Transport estimates were under consideration, I made representations in that connection and the minister had seemed willing then to settle this problem. I hope he is still favorably inclined. That dredging matter, although often brought up in this House by the members who preceded me here as representatives of my riding, has never been solved even if it has repeatedly been discussed; but I have every reason, I say this quite sincerely, that we are nearing a settlement, judging from the dialogues and exchanges of views we had in committees, or on occasion when I met various ministers. Still, and I say this without wanting to offend anyone, everyone holds to his opinions, according to the studies I have made; it has even happened, when the file was sent to the Department of Transports for a quick perusal, that the officials mainly stressed disadvantages of the situation, its non profitability, with the various responsible ministers. And then, it was required to show what benefits might result from the dredging of that channel for the development of some natural resources in that area.

● (2050)

I think that the various departments in the federal government were ready to cooperate, it would be possible to solve this problem and ensure that the development of the area between Quebec and the Gaspé peninsula, I mean the south shore of wich the city of Montmagny can properly be considered as the capital, since it is located in the centre of that area.

Until now, Mr. Chairman, in every development project that has been implemented under the various federal policies or with the cooperation of the province of Quebec, the south shore has always been overlooked. In the studies conducted, the experts have always considered Quebec City and the surrounding area. Then, they flew over the south shore in order to go and study the needs of the Gaspé area, as I know that there are also needs to meet there.

However, the south shore is not included in the area surrounding Quebec City, being located many miles away, nor is it close to the Gaspé peninsula, as it is even farther; it is a different area and I ask that it be considered as such and that special projects be designed for that area in order to ensure its development. I think that it will never be able to develop further if action is not taken to fully develop all its resources. There is no need to mention them all, they are numerous. That area has a tremendous potential for touristic development; the many islands located in the St. Lawrence river are part of the area and better communications are needed to reach them and make the most of them.

I also wish to remind you that Montmagny and the vicinity is a paradise for migratory birds, and particularly the snow goose. It will be recalled that the mayor of Montmagny, Dr. Gauthier, and all his council, in cooperation with the Chamber of Commerce and every organization in the area, started in Montmagny an annual Snow Goose Festival. I wish everyone could see at this season, from approximately 300 feet behind my residence, thousands of snow geese currently migrating to their summer nesting grounds, from which they will be returning next fall. This is an industry that should be expanded. But in order to do that, outsiders coming into the area should have access to the islands, in the fall, to hunt snow geese. This is a tremendous sport. Unfortunately, transport facilities are inadequate.

Since the Minister of Public Works (Mr. Drury) is inclined to approve the renovation of the Montmagny wharf, I should like this evening to ask the Minister of Transport whether it is possible to very seriously consider whether, in turn, the Montmagny channel could not be dredged, so that the hunting and tourist industry may be further developed, and whether also a marina could not be built. I know this is not his responsibility, but somebody must take the lead to make things possible. Sheltered waters are needed so that small craft can take refuge during storms. This would be a suitable location if it was developed.

Second, I would ask the same thing I requested last year, and I am convinced I will have an answer since this item is again included in the estimates. I noted last year in the estimates a quite significant amount for the improvement of the channel opposite Cap-aux-Oies. I do not know if the minister remembers that.

In any event, there was amazement that $2 million were allotted for the improvement of the channel there. If I am misinformed, I hope I shall be corrected, but I am convinced this will be done this summer. I had an opportunity to discuss with pilots. I was told that the river is approximately 35 feet deep at that place. I wonder why this year a $925 million amount is again included in the estimates for 1975-1976. The sum of $925 million has also been forecasted for future years. If this is necessary, I do not object. It is very obvious that the channel must be maintained. Since the votes are here, if the Minister could use his authority to transfer these votes, which will be used to improve the channel, which would then be deep enough to allow normal navigation, maybe the channel from the river to the dock at Montmagny could be dredged.

Those are the few considerations that I wanted to bring to the attention of the Minister, very seriously and with a lot of heart, because I know that he is very concerned about the development of the area to which I have referred, like all the other areas of the country, and it is on behalf of all the organizations, which you will excuse me for not naming, that I am making this request; I am the spokesman for all the organizations which have already been named, and of which about thirty at least have been asking the same thing for many years. I hope that everyone is not wrong at the same time. I know in advance that the Minister will tell me: "Yes, this will take money". I understand this and so does everyone else, but if we wait for some garantee about the profitability of the service before doing anything, I think that we shall never do anything because there are public services now in operation which were supposed to be profitable and each year, the Minister has to come to Parliament and ask for new credits to set them afloat, to pay their deficits. It would not be any worse in Montmagny. I know that it would not be any better, but it would not be any worse.

I sincerely ask if it is possible to do something. I think that the government of the Province of Quebec would be willing to co-operate, as well as the Minister of Public Works and also the authorities of the city of Montmagny.

It is through co-operation that we will succeed in solving that issue and in providing the South Shore area with proper public utilities so that the standard of living and the per capita income of the South Shore population, which are unfortunately the lowest in Canada, may be improved. I would now ask the hon. minister to make comments on that subject.

Mr. Marchand (Langelier): Mr. Chairman, it was a real pleasure for me to hear again my good friend, the hon. member for Bellechasse who is asking again that there be dredging operations around the Montmagny wharf in order to allow better circulation between that town and the islands which are an extension to the Orleans Island.

● (2100)

The hon. member is right when he talks about the snow geese. It is a remarkable spectacle. It is not necessary to go there hunting, seeing them only is worth the trip. I believe that in such circumstances maybe he should make

representations not only to the Ministry of Transport which has a marginal responsibility, but also to the Department of Tourism, in Quebec City, and to the Department of Public Works. The latter is concerned with the maintenance of wharves and small harbours.

He could also contact the Department of the Environment which is in charge of harbours for small boats. It is a complicated issue but surely he could do something about it and, in my opinion, I think that by making representations to those departments, he will succeed in getting the water level around the Montmagny wharf raised in order to allow the boats to come there and to visit one of the most attractive towns in the Province of Quebec.

Mr. Chairman, to get his figures straight when he reads the budget, he should read $925,000 instead of $925 million; it is not quite the same thing. The total amount is $2,100,000: we did some dredging at Cap-aux-Oies, but there has been some filling up and efforts must be made to bring the depth of the channel down to 40 and 45 feet at high tide. If the hon. member can transform the $925,000 into $925 million, I promise we will do some dredging at the Montmagny wharf.

In any event, he will certainly get a sympathetic ear; but this is not something I can assure him of as a project we will achieve solely with assistance from the Department of Transport.

Mr. Lambert (Bellechasse): Mr. Chairman, I rise on a point of order.

I apologize to the hon. minister if I said $925 million. That was certainly a mistake because I did read $925,000. I would not want the House to get the impression that I intended to falsify the figures in the budget. My apologies, and I thank the minister for having pointed it out to me.

[*English*]

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I want to use my 15 minutes, or part thereof, largely in asking the minister some questions about my part of the country. I was delighted, as were a number of my constituents, about the announcement by the federal government that it would be building a railway link between Ashcroft, Cache Creek and Clinton. This will be a link between the CNR and the CPR to the B.C. rail.

Many of my colleagues from the prairies, and on both sides of the House, realise that the Fraser canyon can be a very difficult bottleneck with respect to the two rail lines, especially during the winter time and spring break-up. There are often slides which can hold up trains going down the Fraser canyon for long periods of time. This link has much potential for the economy of this country and for the economy of that part of my constituency, and I would like the minister to inform the House of some target dates. I would like to know what schedule he is following now, what kind of work might be taking place at this time, and the target completion date. That is mostly what we are concerned about. We would like to have some idea of the framework in which the Government of Canada will be moving.

Another question concerning the people of Kamloops relates to terminal facilities. Kamloops is one of the most rapidly growing cities in the province of British Columbia,

and the number of passengers moving through the Kamloops airport in the past few years has probably been the most rapidly growing in the country, so the terminal facilities have really become quite inadequate over the past couple of years in particular. There have been some additions made to the facilities, which have been quite helpful both for onloading and offloading, but these are only temporary additions.

I have had a number of discussions with the minister's regional officials who have been very helpful, and I know they have a number of good plans on the drawing boards for terminal facilities in Kamloops. One date we had been kicking around, with regard to having the new facilities built, was 1977. I would like the minister to give me some indication of these possible new facilities in Kamloops and to advise whether that 1977 target date can be met or is realistic. Perhaps this was just in the very preliminary planning stages in his department, but I want to stress that it is very necessary that we have new and adequate terminal facilities in Kamloops as soon as possible.

The other area I was talking about with the minister's regional officials, and upon which I received co-operation, was the terminal facilities at Quesnel. They also had a number of good plans on the drawing boards for Quesnel. They just obtained jet flight service in there, Pacific Western Airlines, not too long ago. It is a service which has been very much needed, and it is warmly received by the people of Quesnel and that part of the Cariboo. I would like also to know what time schedule the minister and his department have for new terminal facilities in Quesnel.

● (2110)

Mr. Marchand (Langelier): Mr. Chairman, the negotiations between the federal government, the B.C. government, BCR, which is owned by the B.C. government, and the CNR have been long and complicated. I know there is an understanding and it is supposed to go on. I am not even sure that the formal agreement has been signed yet. If the hon. member wants the target as far as the Clinton-Ashcroft bypass is concerned, it is not supposed to go beyond 1978, so the target of 1977 is about right. This is something which is urgent and essential to the development of the region and for the normal circulation of goods in the direction of the B.C. coast and ports.

Unfortunately I did not catch the second question. Would the hon. member mind repeating it?

Mr. Marchand (Kamloops-Cariboo): The second question related to the new terminal facilities in Kamloops. I mentioned that I had a number of productive conversations with the minister's regional officers who had been very co-operative. There are some good plans on the drawing board for new facilities. In casual conversations the officials told me to look at 1977 for the new facilities there, but this was not their decision and it had to go to Ottawa for confirmation. The facilities were improved recently for loading and offloading, but still they are only temporary facilities. We need permanent facilities in Kamloops, and in Quesnel as well, and I believe the plans are also on the drawing board.

Mr. Marchand (Langelier): If the hon. member does not mind I will take that question as notice and let him know tomorrow exactly what is the target.

Mr. McCain: Mr. Chairman, in opening I should like to say to the minister that I fully sympathize with him for all the reports with which he has to deal. There have been a multitude of them in the period since confederation. Unfortunately they have not been followed by policies. The reports have emphasized the problems which exist nationally and regionally, and it is now imperative to have policies.

There are some questions I should like to put to the minister. First of all, what is the depth of investigation by the minister or his staff into the branch line abandonment proposal of the railroads in respect of communities which may become isolated and put out of business if a branch line is abandoned? Secondly, what is the information on the revenue which will accrue to the main lines if the wholesale abandonment of branch lines becomes the policy of the two national railroad companies? Have these two questions been given proper appraisal?

Mr. Marchand (Langelier): Is the hon. member talking about branch lines generally?

Mr. McCain: That is right—not any specific one but just the basic policy on branch line abandonment, its effect on the community abandoned, and eventually on the traffic on the main line.

Mr. Marchand (Langelier): There is a definite policy as far as the branch lines in the western part of Canada are concerned where 12,000 miles are frozen till the year 2000, and 6,000 miles are going to be reviewed by a commission so that we will know exactly what we are going to do with them. They are not going to be abandoned before the end of 1975, however, and what happens after that will depend on the report. There are about 500 miles which everybody agreed should be abandoned for all practical purposes.

Mr. McCain: Madam Chairman, I do not think the minister intended to evade my question. He has given me the position at the moment on branch line abandonment as far as policy is concerned. I should like to know if there is an in-depth study on two aspects of the consequences of abandonment—first, the consequence to the community located on a line to be abandoned and, second, the consequences on total traffic on main lines which have depended on the branch lines as sources of traffic or feeder lines for the main lines. Is this under study? I have never seen it mentioned in any report relating to transportation.

Mr. Marchand (Langelier): Madam Chairman, I am not sure that I understand the question clearly. No branch line can be abandoned in Canada without approval by the CTC. This is not a policy but is the procedure to be followed in the abandonment of an active branch line. As far as the policy of the government is concerned, this has been talked about at the WEOC Conference. I do not want to evade the hon. member's question, but was he referring to the section of 12,000 miles, 6,000 miles, or 500 miles?

Mr. McCain: There are areas of Canada which have been served by one line or the other and part of the industrial background of those communities is still dependent upon the railroad and will be damaged if the lines are abandoned. I should like to know what happens to the main line if producers of traffic on the branch lines go out of business?

Mr. Marchand (Langelier): Madam Chairman, I reserve the right to correct myself tomorrow if I am mistaken, but the information I have at the moment is that the mandate of the inquiry is not limited to the western provinces. It is to make a study of all Canada and see what the economic impact will be if some branch lines are abandoned, whether in the maritime provinces, Quebec, Ontario or the western provinces. If my information is not correct, I will rectify it tomorrow.

Mr. McCain: I should like to point out that the area of the Saint John River valley, the Annapolis valley and other areas in Nova Scotia have been served by railroads. Instead of bringing forward applications for branch line abandonment, why do not railroads, all of them, make it their policy to seek out business? Without business they will be forced to abandon lines. I suggest that the policy of the government should put the onus on railways to search for business in areas in which they intend to abandon lines. Other enterprises, whether they are banks, chemical companies, fertilizer companies or beer companies, pursue business. This approach seems to be totally lacking on the part of our railway system.

● (2120)

Why should businesses—I do not expect the minister to answer but I wish the department would consider this—which are not familiar with the workings of the transport industry need to buy their own truck units in order to deliver their own products to their own customers, especially as many of these businesses have been served by the railways? This does not involve rates; this involves service. Service which was available to some of these businesses 10 or 15 years ago is no longer available, although the railway lines still run past their front doors. It seems to me that in seeking a solution to the difficulties of railways the minister should ask why so many companies have bought their own trucks?

Why does the Viau Company have its own trucks on the road? Why do Humpty Dumpty and Home Hardware have their own trucks on the road? Are these companies making money from trucking, or from manufacturing and merchandising? Further, are these companies, by entering the transport business, able better to serve themselves and at less cost than would be the case if we had a better rail transport system? Why should the publicly-owned CNR let this business slip out of its hands while other people, less experienced in the transport business, deliver products they manufacture, not because they want to, but because they must?

If the study previously mentioned is to be concerned about the east as well as the west, will guidelines be laid down regarding the consideration of the Maritimes or Atlantic area? Does the minister have any idea as to how profitable the CNR or CPR find Maritime region business? Also does the minister know, from cost submissions, whether the railways are making more or less profit than

they ought to make, and what assurance can the minister give that the level of service in future will not fall below the level presently being supplied? What is the policy for improving service to Kelowna, Selkirk, Prince George and various other areas of the country? Can the minister comment on this question? After all, our economy cannot function adequately in the absence of a transportation policy. Such a policy is needed to help the economy.

Mr. Marchand (Langelier): Madam Chairman, perhaps my answer of a few minutes ago was wrong. If the jurisdiction of the commission is to be limited to western Canada, under our transport legislation a similar duty devolves on the CTC. This means that CN should apply to the CTC, and the CTC has to conduct an inquiry in order to justify any decision it might take. I will inquire and find out exactly the mandate of the special commission that was set up by the federal government.

The hon. member asked if the railways are making money in the Maritimes. I know that we are subsidizing the Maritimes.

Mr. McCain: And the west.

Mr. Marchand (Langelier): Yes, and the west. But the railways are not making money. This year they are all losing money. I would be surprised to learn they are making money in the Maritimes, but I will check and give the hon. member that information tomorrow. At the same time I will look into the other matters the hon. member put to me.

Mr. McCain: Madam Chairman, will the minister also ask the department to examine why so many people are going into their own trucking business, because once many of these companies were served by the railroads? How can they afford to do their own trucking, and why cannot the railways, the CNR, the CPR and other railways, do it more cheaply, especially when the rail lines already run past the front doors of these firms?

It has been recognized that an adequate transport system for the prairie areas and the west generally, primarily a rail transport system, is imperative if the agricultural industry of the region is to survive. An adequate rail transport system is equally necessary for the survival of agriculture in Kelowna, New Brunswick, Nova Scotia and elsewhere. Such areas are equally in need of an adequate rail transport system. What policies will the minister advocate in order to allow the agricultural industry in this country to continue prospering? Further, what policies will the minister bring forward in co-operation with the Minister of Agriculture and his own departmental officials to make sure that the railways serve adequately the agricultural industry of the Atlantic area, at rates which will permit agriculture to make a profit?

Mr. Marchand (Langelier): Madam Chairman, the policy on which we are working, which has not been completed, concerns agriculture and all other sectors. We are convinced in the department that we must have a good railway service in this country. We need that in Canada. This country is too big to rely on trucking or other modes. We need a good railway system, not only for industry but for agriculture, too.

[Mr. McCain.]

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member who is about to rise, but his time has expired.

Mr. Peters: Madam Chairman, may I ask the minister a question concerning regional air carrier policy. I wonder if Air Canada service is to be substituted for regional carrier service in certain areas. I know the minister was interested in the Nordair application for the Ottawa-Sudbury-Thunder Bay route. Is there to be any substitution of service? I assure the minister that the flight, given present departure times, will not make money for Air Canada or anybody else. Perhaps someone could make money if the flight were at a different time. Does the minister intend to develop a new policy in this whole area, and how will we hear about it?

Mr. Marchand (Langelier): Madam Chairman, the last time we made an effort to elaborate an air policy in Canada was in 1966, I believe. Of course since then conditions have changed. I do not blame those who brought in the earlier policy. They did their best. Of course no regional carriers then operated jets. The business of regional carriers was to serve certain regions. Then they bought jet aircraft, DC-8s, DC-9s, Boeing 707s and 747s, and they put pressure on the CTC for new routes. They asked that Air Canada routes be given to them because they could not make money with jet aircraft on the kinds of routes they flew. Without doubt there is no money to be made in flying a jet from Brandon to Winnipeg.

Mr. Dinsdale: But there is from Brandon to Toronto.

Mr. Marchand (Langelier): They can make money by flying from Brandon to Toronto, but not by flying from Brandon to Winnipeg.

• (2130)

We first tried to solve the problem of international routes. We announced last year how we are dividing the world and what kind of policy we are going to follow. However, we have not yet reached the regional carriers. At this time the policy is not designed. However, we intend to have one as soon as we have taken care of other urgent problems.

Mr. Peters: Madam Chairman, we have several problems with Air Canada. One is that it did not get all the international routes. We have two major air carriers in Canada, Air Canada and CP Air, which was probably a very bad mistake. Even France, Britain, and other countries considerably larger and more prestigious than Canada cannot afford that.

The minister stated that the regional air carriers have bought jets. That is true. They have bought them because Air Canada failed to meet the needs of travelling Canadians, particularly in the Caribbean. There is still a shortage in the Caribbean even with Wardair, Nordair, QuebecAir and Eastern Provincial.

I am sure the minister will agree that cutting out the regional carriers is not the answer. Nordair flies 727's and 737's into the Arctic. Air Canada should be doing that, but is not for two very good reasons. It does not have the planes that will fly in that area. Air Canada has bought

the wrong kind of aircraft. It is looking for prestigious international service which the Canadian people cannot afford. We are not in that field.

I have no objection if the minister wants to be a real nationalist about this. I would be quite happy if tomorrow he put in a system that would meet the needs of the Canadian public for air service with one airline called Air Canada. It has all the machinery. There is no doubt about it. It has enough vice-presidents to fly the damn things, if only they were capable of flying. However, they will have to provide the kind of aircraft that regional carriers are supplying.

I am pleased that after the problem of international routes has been solved, the minister is going to look into the regional problem. I suggest that when he does that, he look at another airplane for Air Canada. He should be buying the Dash 7. I understand that is a large Otter. Air Canada should be buying 30 or 40 passenger planes.

If we are going to run a Canadian airline, it should use jets. We should be using jets to fly these routes.

Has the minister given any consideration to security costs at airports? We are not catching anybody. I have heard that one or two members of parliament carried guns through security in one or two major cities just to try it. The system did not work out. I can explain, to anyone who wants to know, how to beat it. It is very easy to do.

I have to spend a lot of time in North Bay where I make my air travel connections. There are ten RCMP officers there. They receive at least $10,000 a year. That comes to $100,000 a year. Air Canada hires Pinkerton people. There are three main flights a day. I do not know how that kind of expenditure can be justified. One RCMP officer would be enough. The only purpose for their being there is to back up the Pinkerton people.

Mr. Nielsen: North Bay is a bad place.

Mr. Peters: The same is true in Sudbury, Timmins, Calgary and Edmonton. I never went through a search like that before. They made everyone almost strip because there was a girl who was going through with gilt buttons on her coat. If the machine will pick up the gilt, it will pick up anything.

What are we doing? Are we training people for the Olympics? Is this why we are training the RCMP? I do not see why we need ten RCMP officers, not in the whole North Bay area, but just at the airport. I rode on a Cessna 402. No one is going to take that very far. I often wonder if it will make it to Ottawa. The Otters will not go very far. They are the planes which go through North Bay most. Air Canada has two main flights a day with a DC-9. Has the minister given any consideration to the cost of security? This seems to be away out of line. We are not getting anything for our money.

One of the RCMP officers said he did not like his job. He said it would be fine if they would move him somewhere else where there is something to do because he does not like sitting around all day drinking the bad coffee they have in the terminal. North Bay, as the minister is aware, has been changed to eastern air defence. In case of bad weather, Earlton becomes the emergency auxiliary field. Has the minister given any consideration to updating the buildings at Earlton? There are 24 hour weather and radio personnel there, as well as a terminal. All the buildings those three agencies use are pre-war. They were built about 1935 or 1936. Even if it is just to save on heating costs, a small terminal could be built at a fairly reasonable cost. Has the minister given any consideration to this?

Mr. Marchand (Langelier): Madam Chairman, I do not know if I heard the hon. member correctly. He said that Air Canada should go jet all the way. At the same time he said it should buy Dash 7's which are not jet, but turbo.

An hon. Member: They are not flying.

Mr. Marchand (Langelier): They are still being tested, but they are flying. Apparently they are good planes. Anyway, we will wait and see.

In 1965 or 1966, it was in the policy I referred to a few minutes ago, Air Canada agreed to give certain lines to the regional carriers. That is why lanes were given to Quebec Air, UAWA in British Columbia and TransAir in Winnipeg. They were not given to Nordair, but all the others. It was the policy of the government at that time, rightly or wrongly, and I have my opinion on this, to take away from Air Canada a certain number of lines in order to allow the regional carriers to make a profit. After that, they succeeded in stretching their routes and that is when they started buying the jets. When you buy a DC-9, even if it is a short conventional one, you need to have room. Otherwise you cannot economically operate such an aircraft. At this time Quebec Air has two DC-8's which it purchased recently for a charter to Europe. TransAir has a 747.

Mr. Nielsen: It is Wardair.

Mr. Marchand (Langelier): The hon. member is correct, it is not TransAir, but Wardair that has the 747.

● (2140)

In the United States they believed for a century that it was good to have as many railways as they could build, as many airlines as they could create. What happened? Half of them went bankrupt. Now even Pan-American Airlines is in trouble but has been saved by the banks. I would not like to see, one day, in our lap or in the lap of the opposition, one or two airlines which could not make a profit asking for a subsidy or new routes in order to keep going. I do not mind if we have to intervene more directly, but I believe it is preferable for the Canadian people to have healthy airlines which know what are their limits. Right now they do not know so they take chances, and one day the taxpayers are going to be called upon to pay the bill.

Mr. Peters: What about the cost of security and the minister's ideas as to its value?

Mr. Marchand (Langelier): We do not seem to have any problem at the moment. We do, of course, collect knives and articles of that kind from luggage. I do not think Canada is the most dangerous spot. The United States may be. After all, it is easy to come from the United States to Canada, and we do not want Canada to become a haven for hijackers. This leaves us with the necessity of putting some kind of security measures into place. I can tell hon.

members that I am one who is probably the most allergic to these searches. Each time I come through, they do not even recognize me and I am screened like the others. When the hon. member talks about ten members of the RCMP in Thunder Bay or Sudbury—

Mr. Peters: North Bay.

Mr. Marchand (Langelier): They were there accidentally.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Or because the hon. member was there! I know that in Montreal, though it is not as big as that city, I never see more than two at the same time, and I go there every week. In Toronto I have never seen more than two or three. Some are teaching, and some are backing up those who are making the search.

Mr. Nielsen: Madam Chairman, I have a series of questions which may not seem important to the minister but which loom rather large in my constituency, which depends so heavily on communications facilities. At the outset though, may I say I fully endorse the security measures being taken at airports throughout our country. If I had any complaint to make it would be against the stupidity of members of parliament, of all people, trying to test the system. All that has done is bring the security personnel down around our necks. I find myself now being recognized and singled out for a more thorough search than ever before simply because of the stupidity of some hon. members.

I should like to ask the minister to give me a status report on the terminal building at Whitehorse, which has been on the book for so many years but which has still not got off the ground. I want to ask the minister why his department is phasing out the radio ranges in the remoter areas where, in my view, they are still vitally needed. The latest announcement concerns the elimination of radio ranges in Whitehorse and Tasland and the replacement of those ranges by non-directional beacons. The beacons are fine for getting from one point to another but they help very little in getting down through cloud to a safe landing.

Would the minister inform me as to the status of the installation of emergency locater transmitters in aircraft registered for use above the 60th parallel? I believe the time has passed when the law requires installation of ELTs in all aircraft operating in sparsely settled areas. Has this been accomplished?

I want the minister to give me a report with respect to a matter which was mentioned in the Speech from the Throne, that is, the setting up of an independent body for the purpose of investigating aircraft accidents. This has been promised, and it is long overdue. I know the minister is in favour of it. It simply does not look right, for example, in the case of the last fatal aircraft accident in the north in which Panarctic was involved, that one of the major shareholders of the company, the government, should be the accident investigating body.

I want to ask the hon. gentleman when new and improved navigational aids will be provided at the airfield at Faro where traffic demands an IFR facility. I wish to complain vigorously about the placing of electric power lines across the Yukon River at Whitehorse across the only available stretch of water which can be used for emergency landings by aircraft which have developed trouble on take-off from Schwatka Lake. These wires prevent safe take-offs and landings on that admirable stretch of river which is so essential to safe operating out of the lake terminal at Whitehorse.

I want to ask him, too, to exert whatever influence he may have with his colleague the Minister of Finance to get rid of that 10 per cent tax which has been placed on all new aircraft being imported into Canada for private owners, under the guise of some sort of fuel conservation plan. I believe there is not a member here familiar with general aviation who would object to the removal of this tax. Putting it in a more positive way, I believe every member, in all parties, with any knowledge of the general aviation industry, opposes the continuation of this tax. The minister should exert whatever influence he can to get it removed, because to an area such as ours where aircraft are so vital for getting around the country, it means a good deal to us to have 10 per cent added on to the cost of an aircraft.

● (2150)

I want to register my complaint, in what I hope will be taken as a non-bigoted fashion, in regard to the debate now going on with respect to the use of French and English in aircraft communications, air-to-air and air-to-ground. I think this can only have one result, namely, the impairment of safety standards in air transport. There is an international language of the air, and this country has been a signatory to it through ICAO for years now, and that language is English. If it were French, then it would be French; but it so happens that before the real debate on bilingualism developed in this country English was made the international language for air transport, and it should remain that way.

There are two accidents that can be directly attributable to the confusion caused recently over which language to use in the minister's own province. It is ludicrous to think that we may have French as well as English in air transport in Canada. This would mean rewriting, for instance, the international phonetic alphabet, which is now a combination of Latin and English words, which to me is silly.

If this were carried the whole way, we might find Air Canada and other international airline pilots doing cockpit checks in both official languages, which I think would be silly indeed. We should stick to safety standards and forget about the bilingualism debate so far as air transport is concerned.

I would also ask the minister to bring me up to date with respect to the rail studies in which the CNR is involved, so far as transportation in the Yukon territory is concerned. Studies have been undertaken in conjunction with other carriers and I should like to know whether those studies are ready to be reported; if not, when they will be reported; and what the feasibility is of interior rail into the Yukon connecting with the south.

Finally I want to register a complaint about telecommunications, something which falls within this minister's jurisdiction. His colleague, one of the "Three Musketeers", the Minister of Communications, came up to the Yukon on

a business visit a short while ago and, I will not say as a result of the visit, but coincidentally after he left, telephone rates went up. Telephone services in certain areas were discontinued, and other operators got bills that they had never received before for their telephone services.

The minister does not know about this. I was hoping he would be here, as he was this afternoon, so he would be made aware of it. I have written to him, but I dare say my letters never get to his level in the ministry.

There are emergency telephone services operated by CN Telecommunications which are now being cut out. These telephone services provide a very essential service. One might run across a highway in the Yukon where there has been an accident and there is no way of communicating and getting medical or other aid. These telephone services should remain for emergencies, if nothing else.

I want here to register a personal objection. Because all parts of the north are not blessed with dial telephones or the push button type, in the remoter areas we have to use radio telephone service. One of the most common in use is the single sideband SBX-11. A unit like this would require an initial investment of about $1,000, which the owner has to shell out in order to provide himself with communications. In my own case I have one in one of the remoter areas of the Yukon, and I use this unit for passing on weather information to the minister's department and for passing on information regarding lost aircraft, both to his department and to the RCMP—all for nothing as far as I am concerned.

I have now been told that in order to carry my identifier on the books of his department—that, in radio communications terms, is the telephone number, which in my case is Sierra Queen 950—I have to pay $7 a month. I think that is carrying bureaucracy a little too far. It seems to me that I should be charging for the service that I have been rendering his department, which will cost a good deal more in terms of saving time and money than what his department is charging me, $7 a month. One little vital piece of information that could be passed over my unit could save his department and the government thousands and thousands of dollars spent on searches.

If it is the intention of his department, or of CN Telecommunications, to insist upon a rental for my identifier to use CN-T facilities for telephone service, then I will discontinue the service, and I know of dozens of people like me who will do the same. Instead they will not carry CN identifiers; they will carry identifiers and communicate with mining companies and people in the air transport business that do not charge them for doing so.

Having said that, I do not expect any lengthy answers tonight, but generally speaking I think the minister's department is doing, apart from the few exceptions I have mentioned, an adequate job in the north. I extend to him a personal invitation as minister, having national responsibilities, to visit the Yukon and take a first hand look at the operations of his department there. I should like him to be my personal guest and I will show him things that I am sure will surprise him.

Mr. Marchand (Langelier): Madam Chairman, I thank the hon. gentleman for his last words. It does not happen very often that we in this chamber feel we are in a civilized world, so it was good to hear that. I would not cross the floor for it, but it was nice anyway.

I will not be able in two minutes to answer all the hon. member's questions. Some are a little too technical. I am not highly specialized in directional and non-directional beacons. I happen to know what they are, but I do not know enough about them to make a speech in the House and to say whether the hon. member is right or wrong. Perhaps tomorrow I can say something about that matter.

As far as an independent accident board is concerned, the hon. member is right. We are exercising pressure on the government House leader to bring in legislation as soon as possible to set up an impartial board that will inquire into causes of accidents. The accident he referred to indicates that we need an independent body, not because I think anything irregular happened but because at the time everyone felt a little uneasy. We will do what we can here in co-operation with the other House leaders.

As for the rate study, as the hon. member knows, it has been completed. We know it is feasible to have a railway going up the Mackenzie valley.

Mr. Nielsen: What about the one for the Yukon?

Mr. Marchand (Langelier): I understand that study is not yet completed. The other one is, but the one for the Yukon is on its way and is about to be completed.

With regard to the use of English and French, that is a debate in itself. It is too delicate a subject on which to throw out a few words just before ten o'clock. This would risk giving a false interpretation of what the hon. member said, or a false interpretation of what I think should happen in this regard.

If the hon. member does not mind, I will call it ten o'clock. I hope tomorrow to be in a position to answer the technical points he has raised.

The Assistant Deputy Chairman: It being ten o'clock, consideration of the estimates of the Department of Transport in committee of the whole is interrupted in accordance with the provisions of Standing Order 7.

Progress reported.

● (2200)

The Acting Speaker (Mrs. Morin): Pursuant to the provisions of Section 9 of Standing Order 58 the committee of the whole will continue and conclude consideration of the estimates of the Department of Transport at the next sitting of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

FISHERIES—EXCLUSION OF SOME AREAS OF NEWFOUNDLAND FROM COMPENSATION PROGRAM—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, may I say that the debate tonight is on a matter that I feel has been an exercise in dereliction of duty on the part of a federal-provincial committee appointed by both levels of government, that is, the federal Government of Canada and the Government of Newfoundland, to investigate the effects of ice damage on the west coast of Newfoundland in the year 1974 which destroyed many hundreds of lobster traps, and in turn resulted in the loss of livelihood for many hundreds of fishermen.

I would ask on behalf of these aggrieved fishermen how, in the name of fairness, the committee could declare certain zones on the west coast of Newfoundland which they determined should qualify, to the exclusion of other areas where it has become obvious that ice damage also existed, damage as serious in nature as that in those zones declared should qualify by the committee?

The damage existed along a coastline of some 300 to 400 miles in an almost straight line from Cape John in the southern part of the west coast to the most northerly part known as Cape Norman, yet that committee, in its questionable wisdom, declared an area almost half way between the two points, from Cape St. Gregory to Cape Norman; in other words, it declared an imaginary line which is not only questionable but smacks of discrimination against certain groups of fishermen. The committee acted as judge and jury without even the common courtesy of giving the said fishermen the opportunity to question that decision.

In the thrust of my effort to find out the basis for the declaration of the qualifying zones it has been impossible for me to get fair answers, beyond the normal bureaucratic answers from both levels of government that the decision was made by a federal-provincial committee. This is not good enough and is entirely unacceptable.

This unacceptability prompted me to investigate the ice conditions which existed during the 1974 lobster season from dates before, during, and well into the lobster season. I am satisfied as a result of Ministry of Transport reports, which I have today sent to the Minister of State (Fisheries) (Mr. LeBlanc), that there is evidence which shows beyond a shadow of doubt that ice conditions in the excluded area were as fierce or, if not as fierce, were such that they warranted consideration for compensation which heretofore has been denied those fishermen in the Bay of Islands, Port au Port and Bay St. George areas.

I have at hand ice condition reports for 17 days, from April 16, 1974, four days before the April 20 lobster season opening, to May 14, some 28 days into the season, and during a period when the execution of the lobster fisheries is at its best.

Let me put on record just a few of these reports. On April 18, just two days before the season opened, there was close pack ice from Cape St. George along the west coast of Newloundland, which is right in the middle of the excluded zone. On April 22, the west coast of Newfoundland remained congested from Cape St. George northward, two days after the opening of the season and after the laying of traps. On April 25 and 26, the report states that congestion of ice remained in the areas of Cape St. George, St. Georges Bay and Corner Brook. The report states that on April 29 there were strings and patches of ice in St. Georges Bay. On May 1 there was open pack ice in St. Georges Bay from Port au Port peninsula to Bay of Islands, on shore ice drift was increasing the ice concentration to open pack with a narrow strip of close pack ice across the entrance to the bay. On May 2 the report states that the west coast of Newfoundland remained heavily congested from Cape St. George, and with onshore winds this could cause some concern to west coast ports for the next week or ten days.

Finally, I will use only one more example of the report of May 10 which stated that open to very open pack ice was found north of the Port au Port peninsula extending 60 miles west of south head. The strait of Belle Isle was not recommended for commercial navigation at this time.

It is obvious then, Madam Speaker, that the reports from which I read substantiate the conditions which existed. They confirm that the committee was lax in its duty to declare the zones where damage occurred, and to support the requests of the fishermen in the area of concern. I hope the minister, who I know will be sympathetic, and his parliamentary secretary will review the reports that I have sent to him, and will cause a further investigation to be carried out and a review of the facts. If unfairness existed, I am sure he will not only rectify the situation but demand an ccounting by the committee to determine the reasons for their decision which is not helping the fast deteriorating fishing industry. I hope the anser will be satisfactory, both to me and to the fishermen in the areas concerned.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I want to thank the hon. member. He made his comments in a manner which, as usual, has been frank and informative. I think the hon. member made some new points tonight when he said that perhaps some errors have been overlooked by the provincial government and the federal government. I can assure him that the new information he has brought to the attention of the minister and the House tonight will be thoroughly investigated.

I know it has always been the position of the Minister of State (Fisheries) (Mr. LeBlanc) to be fair and just, and to do the right thing by the fishermen. That is the reputation he has gained so far as minister responsible for fisheries. I know he has been very co-operative in a number of ways and has tried to respond to the problems of fishermen.

However, I should say also that this disaster comes largely under provincial jurisdiction, a disaster which was declared as such by bhe province. The province must have made a request to the federal government for action, and we responded to the provincial request.

I should say in closing that we are always mindful of and willing to respond to provincial requests, but I hope we can take another look at this problem and perhaps we will find that some of the fishermen who have been left out should not have been left out of the program. We will really take another look at this.

[The Acting Speaker (Mrs. Morin).]

HEALTH—ASBESTOS LEVELS IN LAKE SUPERIOR—GOVERNMENT ACTION TO STOP ASBESTOS DISCHARGES AT SILVER BAY, MINNESOTA

Mr. Joe Clark (Rocky Mountain): Madam Speaker, let me apologize for not being here promptly at ten o'clock, but I was at a committee meeting. I can recall one time, when I was younger, driving home from Calgary to my home in High River listening to the radio and knowing where two different radio station outposts were. I was amazed that what I thought was the same man could be heard within instants on two different radio stations. I was not aware then that you could record and can announcements, as did that man. I cannot move as quickly as he did in getting from committee to the House, and I apologize for being late. I hope I did not cause too much concern in the House.

My question relates to a question raised on April 17 by me with the Acting Minister of the Environment or the Minister of National Health and Welfare (Mr. Lalonde). I raise it again now in the adjournment debate not so much because of the substance of the reply but because of the attitude toward the House and toward serious questions on matters of human health and the environment which was displayed by the Minister of National Health and Welfare in his answers.

● (2210)

My question was:

What immediate action are the federal officials taking to stop asbestos discharges at Silver Bay, Minnesota which it has recently been revealed are leading to asbestos levels in Lake Superior which are higher than allowable and which United States scientists consider to be dangerously high?

The Minister of National Health and Welfare replied that I should make my representations to my colleagues in the Ontario government, since the health aspect of water quality is controlled by provincial and municipal health departments in Canada.

What the minister did by that partisan answer was to try to avoid the clear responsibility which the Government of Canada had for asbestos discharges which occurred outside the jurisdiction of Ontario and outside the jurisdiction of Canada directly but within the jurisdiction of the International Joint Commission, and which were raising the prospects of very serious damage to human health in the Great Lakes region, and particularly in Lake Superior.

The escalation of reported concentrations of asbestos in Lake Superior has risen from a point where, three years ago, it was not considered to be dangerous to where, today, it is considered to be very dangerous to human health, according to the records we had in our hand when that exchange occurred here in the House of Commons. An International Joint Commission report filed in February of this year indicated that asbestos fibres from industrial sources were contaminating drinking water in communities in the whole Great Lakes basin, and indeed the report which prompted my question indicated that the estimates of the IJC study were very much less than the danger appeared to be from the concentrations which were found by qualified researchers in existence in Lake Superior. It was clear that there were dangers.

It is acknowledged even by the Minister of National Health and Welfare in a letter to my colleague, the hon. member for Lanark-Renfrew-Carleton (Mr. Dick), that there is a danger of disabling but non malignant disease of the lung from asbestos concentrations. He went on to say:

It is also known that asbestos workers are more likely to die from cancers of the lung and gastro-intestinal tract than the average individual. More recently, mesothelioma, a relatively rare but highly malignant tumour of the pleural and peritoneal linings, has been strongly associated with exposure to asbestos.

Clearly there are some very real concentrations and possibilities of danger, and even lethal danger, to human health. It is not a matter to dismiss with partisan references or with directions to seek help in other jurisdictions, because there is clearly in the jurisdiction of the Government of Canada under the IJC generally a responsibility to care for the health of Canadians who might be affected by asbestos emanations.

I hope that in answering tonight the Parliamentary Secretary to the Minister of the Environment (Mr. Marchand)—and I know his minister was not in the House when the question was asked—will take this opportunity to outline the extent of action which the Government of Canada is now taking within its own clear jurisdiction to deal with harmful concentrations of asbestos in the whole of the Great Lakes basin.

This problem was pointed out three months ago by the International Joint Commission, and particularly in the area of Lake Superior, where it has been suggested by recognized and responsible experts that the concentrations might be lethally higher than that pointed out by the IJC study in February.

I hope the parliamentary secretary when he answers will also indicate what action the Government of Canada intends to take regarding the possibility of asbestos contamination in Quebec and elsewhere in Canada, and I hope that subsequently when matters of this kind, which relate directly to the jurisdiction of the Canadian government and directly to the health of individual Canadian citizens, are raised in the House of Commons, we will not be again exposed to a display of that kind of partisanship, and the attempt to hide behind provincial jurisdiction which was shown by the Minister of National Health and Welfare when this very important question was first raised on April 17.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I hope the hon. member does not feel that I can answer all the questions he has raised in the three minutes allotted to me, but I would like to refer him to a statement I made on the same subject in response to a question raised by the hon. member for Fort William (Mr. McRae). I made the statement on April 29, 1975, that there are some conflicts with regard to both the type of fibres and the fibre counts in samples taken in Lake Superior by the different groups studying this problem, which have made the matter a little difficult.

At the present time the Canada Centre for Inland Waters at Burlington is co-operating with the Ontario ministry of environment to conduct inter laboratory comparisons of a common sample from the Thunder Bay municipal water supply. This sample is being split be-

tween Canada Centre for Inland Waters, McMaster University, Ontario Research Foundation and Lakehead University. We anticipate this inter laboratory comparison will assist us in establishing norms for standardization of analysis, which has been part of our problem.

Many people in responsible positions have carried out studies on asbestos fibres. The Great Lakes Research Advisory Board of the IJC began preparing a summary report on the status of research investigations on asbestos in the Great Lakes, and particularly in Lake Superior, in March, 1974. The Department of the Environment was conducting studies to evaluate the possibility of transboundary movement of asbestos fibres in Lake Superior in 1973. McMaster University was also involved in studies in 1973. The Ontario Research Foundation and the Ontario department of the environment have also been carrying out studies of asbestos fibres. This research into the distribution of asbestos fibres has been ongoing and will continue to be so.

AIR TRANSPORT—SERVICE FOR SOUTHWESTERN MANITOBA AND SOUTHEASTERN SASKATCHEWAN—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Madam Speaker, my comments are actually a continuation of our discussion on transportation. I am pleased to see the parliamentary secretary to the Minister of Transport (Mr. McIsaac), who is also the member for Battleford-Kindersley, present as the subject I wish to raise tonight concerns his part of the country as well as my own.

My comments arise out of the question I put to the minister on April 30 with respect to an announcement that was promised by the minister on March 10 as being forthcoming by April 10 in regard to a study undertaken by Air Canada, at the request of the province of Saskatchewan for jet service into eastern Saskatchewan and western Manitoba.

Unfortunately the minister misunderstood the point I was making, and I think he replied to what he thought was a question on the experimental commuter service which is about to be launched into western Manitoba and eastern Saskatchewan. This is a service that will be sponsored by the Department of Transport in co-operation with the province of Manitoba. It is an experimental service of only two years duration and it is hard to fit it into any category that exists now with respect to announced air policy. It is not STOL and it does not seem to be third level air carrier service; it is an experimental commuter which will at least give some minimum air service in these important developing areas of Canada.

The point I wish to make is that this experimental commuter service will be just as ineffective as the other commuter services that have been tried in this area, such as the most recent one, the midwest service, which was withdrawn over a year ago, unless it is linked to a jet service which provides ready access to the rural parts of western Manitoba and eastern Saskatchewan, flying east and west.

In western Manitoba the airport located just north of the city of Brandon would be the centre of focus. Brandon is the second largest city in the province of Manitoba and it has been without air service of any kind for over a year. It has a new air terminal all ready to go. I think that what has to be accomplished by the Department of Transport is a two pronged attack, a commuter service feeding into the Brandon airport, and connecting with an ongoing jet service that is now under study by Air Canada.

[Mr. Marchand (Kamloops-Cariboo).]

● (2220)

Perhaps when the parliamentary secretary replies he can indicate if the study has been completed, if Air Canada will be providing the service, and if Air Canada plans once more to resume regional area responsibilities. Originally Air Canada had this responsibility, but relinquished it to the designated air carrier, TransAir. Will such service, if assumed by Air Canada, be part of the service already available from Regina to Winnipeg, and to the east, with a stop-over at Brandon airport? Of course,, we shall want service in reverse order going west. It seems to me that such service, both east and west, is vitally important if the developing areas of Canada are to have the high quality of air service they need.

Mr. Cliff McIssac (Parliamentary Secretary to Minister of Transport): Madam Speaker, the hon. member for Brandon-Souris (Mr. Dinsdale) covered two or three points in the question he raised this evening.

As the hon. member is no doubt well aware, the federal government has participated with the governments of Manitoba and Saskatchewan in helping those two provinces set up a demonstration project with two Saunders ST 27 aircraft, to the tune of $2 million for the aircraft and another $1.35 million for the improvement of facilities at points those aircraft will serve.

The hon. member referred to the study being conducted by Air Canada with respect to air service in Saskatchewan. He made reference to this matter in an earlier question addressed to the minister. That study is the result of a statement made by the minister and, indeed, perhaps by the Prime Minister (Mr. Trudeau), during the last election campaign. The statement was to the effect that if provincial governments require the help of Air Canada and of the Ministry of Transport to look into particular air needs, help will be forthcoming. Following that, the government of Saskatchewan asked Air Canada to study its air requirements. It is my understanding that this study is not finished yet. Even though the Ministry of Transport is co-operating with Air Canada and the province of Saskatchewan, the study is being made at the request of the province, and it is up to the province to make the results public. I presume that perhaps it will.

So far as Air Canada providing jet service to the city of Brandon is concerned, I am not aware that Air Canada plans at this moment to provide this service at this point in time. I am not aware if the study being conducted by the government of Saskatchewan will include the possibiity of jet service per se to Brandon, but I am sure that it will be related to air service which will connect Brandon with that whole general area.

As the hon. member says quite rightly, the actual service being provided by this experimental commuter service does not seem to be a third level of service. Hopefully it will be a worth while experiment, will promote good air

service to parts of Canada about which the hon. member is concerned, and will suggest further improvements we can make in this area.

Adjournment Debate

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

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Tuesday, May 13, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PRIME MINISTER'S OFFICE

SUGGESTED FULL DISCLOSURE OF DETAILS RELATING TO CONSTRUCTION OF SWIMMING POOL—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to propose a motion under the terms of Standing Order 43 arising out of the incredible admissions made in the Standing Committee on Miscellaneous Estimates last night by Mr. H. Stewart on behalf of the Privy Council and the Prime Minister's office concerning the swimming pool under construction at the Prime Minister's residence. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

With reference to the shocking disclosure that no one in government knows the identity of donors of the $200,000 swimming pool at the Prime Minister's official residence, that only the Minister of National Revenue could determine this from income tax deductions taken by individuals with such information being private and privileged, that no investigation whatsoever was carried out by the Privy Council or Prime Minister's offices as to whether improprieties or conflict of interest factors exist in this situation, that a group of unidentified persons—

Mr. Speaker: Order, please. Standing Order 43 permits the hon. member to make a brief description of the urgency of the matter, not to debate the question.

Some hon. Members: Hear, hear!

Mr. Cossitt: The wording I was reading, Mr. Speaker, was the motion itself. There are about three lines left:

—whose motives must therefore be considered unknown have been permitted to engage a contractor and to build on government property, the House therefore requests immediate and full disclosure by the Prime Minister of all hidden details surrounding this very peculiar affair.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and therefore requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INQUIRY AS TO DATE OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. When the unemployment figures were released about a month ago, the minister said he would be bringing in a new budget as early as he could and he hoped it would be by the end of May. Since the figures released today only confirm the depressing unemployment situation, could the minister now give the House the date of the budget or is he in the middle rather than the final stage of his consensus talks?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to consult with the Prime Minister and my colleagues before announcing a date. I still hope it will be toward the end of May.

● (1410)

MINISTER'S VIEW OF RESTRICTIVE MONETARY POLICY AS OPTION TO CONSENSUS ON RESTRAINT IN VIEW OF UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the substantial unemployment which exists now, is the minister really serious when he suggests that a highly restrictive budget and highly restrictive monetary policies are really an option to this consensus program, or to compulsory income and price controls, as he seemed to suggest when he spoke last Friday in Sarnia?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman can draw his own assumptions from the speech. What I said in Sarnia was that, with the escalation of production costs in Canada, as compared with those of the United States and other competitors, we would have to face reality and I would be exercising, evaluating, rather, a range of options before bringing down the budget. As to the tone of the budget, I hope the hon. member will see that tone when the budget is brought down.

Mr. Stanfield: Mr. Speaker, I will do my best in that respect. Does the minister not recall that on February 13 last he said, in response to questions, that he did not want the working men and women of this country to feel that he was trading off their ability to keep pace with the economy against their job security. He said, as recorded on page 3191 of *Hansard:*

The problem put in those terms, is a bit too stark in economic terms, and it is not the way I like to proceed in human terms.

What developments caused the minister to adopt a position of stark choices, as he said in Sarnia on Friday that "the stark nature of the choice confronting us is only reinforced by the experience of the United Kingdom over the past year or so?" What caused the minister to turn 180 degrees?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I recall those words, and those words echoed similar statements I made in the November budget, when it became apparent in the third and particularly fourth quarters of 1974, and more so in the first quarter of 1975, that our cost performance was deteriorating as compared with the performance of our competitors. I said in Sarnia that the so-called traditional trade-off between unemployment and inflation might not be quite as apt, because if we do not get our costs under control—even in the event of a recovery in the United States—and if our cost ratios remain the same, we will not be able to penetrate that market nor even defend our own market; therefore one of the prerequisites to growing employment or the avoidance of massive unemployment in this country consists of bringing costs in this country into some sort of range which is comparable with that of the United States.

Mr. Stanfield: Why did you not say that during the election campaign?

* * *

THE CANADIAN ECONOMY

INFLATION—INQUIRY WHETHER MINISTER READ COVERING LETTER AND DOCUMENTS SENT TO CANADIAN LABOUR CONGRESS SEEKING CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. As two documents, one entitled "Proposals for the First Year of Consensus," and the other entitled" Machinery for Administering a Voluntary Restraint Program" which were sent out by the chairman of the inflation secretariat just before the CLC meeting of last week, were described by the Minister of Finance on Thursday as outlines of the government's current thinking, would the minister indicate if he read the covering letter and the final wording of the documents before they were sent out? Yes or no.

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. That letter was sent out by the secretariat in charge of the consensus process.

INFLATION—INQUIRY WHETHER INDUSTRY MINISTER READ COVERING LETTER AND DOCUMENTS SENT CANADIAN LABOUR CONGRESS SEEKING CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce? As the Minister of Finance did not read the final documentation, did the Minister of Industry, Trade and Commerce, who must be as concerned as the Minister of Finance about our balance of payments deficit, read the covering letter and the final form of the documents before they were sent out? Yes, or no.

[Mr. Stanfield.]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I rise on a point of order—

Some hon. Members: Oh, oh!

Some hon. Members: Three o'clock.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order arising from the hon. gentleman's question.

Some hon. Members: Three o'clock.

Mr. Speaker: Order, please. It is the rule, and the desire of the House, that points of order should be, if possible, deferred until three o'clock. However, I will hear the nature of the point of order so that I may, as I did recently with the hon. member for Oshawa-Whitby, be in a position to decide whether it is preferable to hear the point now or defer it until three o'clock. Therefore, I must hear it.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, my point of order arises directly from the hon. gentleman's supplementary question. When I said I had not read the covering letter, I said just that; I did not say I had not read the documentation. The hon. member rephrased the question in wider terms when putting it to my colleague.

Mr. Speaker: Order, please. The hon. member for York-Simcoe is recognized on a supplementary.

Mr. Stevens: Mr. Speaker, may I address a final supplementary question to the Minister of Finance? Would he answer yes or no: did he read the final documentation that was sent out?

Mr. Turner (Ottawa-Carleton): Yes, Mr. Speaker.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF THE NETHERLANDS, RIGHT HON. GOHANNES MARTEN DEN UYL

Mr. Speaker: Before recognizing the hon. member for Oshawa-Whitby (Mr. Broadbent), may I take just two moments to call to the attention of hon. members the presence in our gallery of a very distinguished visitor, accompanied by members of his parliament and by his very lovely wife, the Prime Minister of the Netherlands, The Right Hon. Gohannes Marten Den Uyl.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT PLANS TO COUNTERACT—REQUEST FOR ESTIMATE OF COST TO ECONOMY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance arising out of the unemployment figures released today which indicate that about 800,000 Canadians are unemployed. Unemployment is now running at the rate of 8.1 per cent which is even higher than at the worst point of the

deflationary program of April 1971. In light of the request by the CLC that the government come forward, as part of its package of plans to deal with the economy, with some suggestions to deal specifically with unemployment, does the government intend to do that or has it already done this with the CLC?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, obviously unemployment was a matter that was thoroughly discussed in previous meetings with the executive of the CLC and yesterday. The response of the government will have to await the budget.

Mr. Broadbent: Will the minister advise whether his department has made an estimate of the cost to the economy as a whole of maintaining an unemployment level in the neighbourhood of 8 per cent. Has any estimate been done of the cost to the economy for the first four months of this year for the unemployment we have experienced?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will have to check if we have the figures in terms of lost production and lost income. However, in terms of the incalculable human cost with regard to careers and the human consequence of unemployment, that is impossible to calculate.

* * *

FINANCE

POSSIBILITY OF PROVISION IN BUDGET TO INCREASE SUPPLY OF HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): I will take the minister up on his concern with human costs. Without giving the details of the budget he is going to bring forward at the end of this month or early in June, can he give some assurance there will be a specific component in there to deal with a significant increase in the supply of housing?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member has been in this House for a number of years. He knows how difficult it would be for me to telegraph the budget.

* * *

[*Translation*]

LABOUR CONDITIONS

CONSULTATIONS WITH QUEBEC MINISTER ON JURISDICTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to direct a question to the hon. Minister of Labour.

Following the representations made by his Quebec counterpart, to the effect that the federal Minister of Labour should discuss the various cases of projects carried out in the province of Quebec by the federal government, would the hon. minister be in a position to advise the House whether the study of these cases has been completed and, in the affirmative, whether he can inform the House of the findings?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I wonder if the hon. member could be a little more explicit as to the source of his quotation from the Quebec minister of labour. I have indicated to him recently that I will be happy to meet with him. We are thinking of bringing all labour ministers together later in the year.

[*Translation*]

Mr. Allard: A supplementary question, Mr. Speaker.

For his information, I should like to indicate to the hon. minister that the project is the one which is carried out in Quebec in connection with the flour mills and is under the federal government jurisdiction.

[*English*]

Mr. Munro (Hamilton East): Yes, Mr. Speaker. On the jurisdictional question, now that the hon. member has been a little more explicit, I have advised the Quebec minister of labour of the federal position. If he wishes to meet further with respect to it, I would be only too happy to meet with him.

* * *

● (1420)

THE CANADIAN ECONOMY

UNEMPLOYMENT—PERIOD OF TIME BEFORE GOVERNMENT ACTION TO COUNTERACT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the Prime Minister stated during the last election that he did not intend to fight inflation on the backs of the unemployed, preferring to wrestle it to the ground instead, I would ask him how long the government intends to allow unemployment to remain well in excess of 7 per cent as a means of trying to combat inflation, and when it intends to bring in effective stimuli to get the economy back on its feet and thus bring unemployment to a more tolerable level?

Right Hon. P. E. Trudeau (Prime Minister): That is a very constructive question. As to the first part, the time will be as short as possible. As to the second part my answer must, of course, parallel that given by the Minister of Finance in connection with the budget.

Mr. Hees: That is no answer at all, but it is refreshing to find the Prime Minister not trying to be Bob Hope, Jr. again today. Does that answer mean that the economy has simply got out of control, and that the reason unemployment is remaining at such a high level is that the policies of the government are making it impossible for Canadian products to be competitive with those produced in other countries with the result that jobs are going to people in those countries instead of to Canadians?

An hon. Member: Give us a quick answer, yes or no.

Mr. Hees: Obviously, that is what the Prime Minister is trying to say.

Oral Questions

FINANCE

POSSIBLE ADOPTION OF RESTRICTIVE FISCAL POLICY IF NO ADHERENCE TO CONSENSUS GUIDELINES ON RESTRAINT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question supplementary to that recently asked by my leader.

An hon. Member: Which one?

Mr. Crouse: Mr. Speaker, we have only one leader in the Progressive Conservative party.

Some hon. Members: Hear, hear!

Mr. Crouse: My question is directed to the Minister of Finance. Considering that the first priority of the minister's November 18 budget was, and I quote, "action to sustain demand" and that in his announcement of a new budget he indicated that the creation of jobs was a priority, can the hon. gentleman tell us whether he is seriously considering a resort to a restrictive fiscal policy, as the minister said Mr. Healey had done in the United Kingdom, if the consensus he seeks is not adhered to?

Hon. John N. Turner (Minister of Finance): The hon. gentleman will just have to wait and see the tone of the budget.

* * *

PUBLIC SERVICE

REASON FOR NOT PERMITTING MICHAEL PITFIELD TO APPEAR BEFORE COMMITTEE

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Prime Minister. It arises out of a series of questions last week relating to the appearance of the Secretary of the Privy Council before a parliamentary committee. I am sure the Prime Minister will accept this question in the spirit in which it is asked. Is his refusal to permit the Secretary to appear before a committee based on constitutional or upon historical grounds? What is the real reason behind not permitting him to appear?

Right Hon. P. E. Trudeau (Prime Minister): The practice is that ministers or members of parliament appear before committees and are supported by the proper officials. In this case, any questions related to the planning, orientation or administration of the office would be answered by a very senior official. The Secretary of the Cabinet himself has traditionally not appeared before parliamentary committees and this, I suggest, is for a constitutional reason—it is that cabinet discussions are privy to the cabinet. They are not subject to questioning in the House or outside. I believe it is for this reason that secretaries to the cabinet never have, as such, appeared before parliamentary committees, and since I am a traditionalist I am following the practice,

Mr. Gillies: Mr. Speaker, may I put a supplementary question to the Prime Minister. The reason I wish to pursue this matter—and I am sure the right hon. gentleman understands the seriousness of it—is that in reality the conclusion that the Prime Minister is putting forth seems so close to the position put forth by former President Nixon in the Watergate case that—

Some hon. Members: Oh, oh!

Mr. Gillies: Mr. Speaker, I tried to prejudice my remarks—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member has a supplementary question; would he be good enough to put it.

Mr. Gillies: I should have said, of course, "preface my remarks". It seems to me that the question that follows is this. If we become concerned about executive privilege, which has been a matter of grave concern in the United States during the past, then if we take the literal interpretation of what the Prime Minister says, how will it be possible for members of parliament to bring before committees officers or people involved in the legislative function or the administrative function of this country? I think it is a very important issue in light of the apparent situation.

Mr. Trudeau: Mr. Speaker, it is indeed a very important question and it lies basically in the understanding of the difference between the American system and ours. Ours is a system of ministerial responsibility. Officials are not responsible to committees.

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): Where was the minister last night?

Mr. Trudeau: Well, I realize that the hon. member on the front bench is asking the question seriously, but obviously the rearguard is not very interested in the answer.

REQUEST FOR DEBATE ON RIGHT OF COMMITTEES TO EXAMINE PUBLIC SERVANTS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the government House leader. As this is only one of several instances—the latest of which occurred yesterday—of the exercise of executive privilege to prevent civil servants from giving evidence before standing committees, would the government House leader consult the other House leaders in order to try and arrange a debate in the House to find out exactly what are the rights of this House in regard to examining public servants?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I should have thought that the principle of ministerial responsibility was widely accepted in all parts of this House. Indeed, when the right hon. member for Prince Albert was Prime Minister, the secretary of the cabinet did not appear before parliamentary committees either.

Mr. Speaker: The hon. member for Greenwood on a supplementary.

Mr. Diefenbaker: Mr. Speaker, I listen to ministers on the government side of the House but I was unable to catch the golden words of the hon. gentleman. I wish he would repeat them. The only portion I heard was the reference to myself, and I should like to know what the reference was.

Mr. Sharp: Mr. Speaker, I am very happy to repeat what I said. I was saying that the principle of ministerial responsibility was, I hoped, accepted on all sides of the House; and I said that when the right hon. member for Prince Albert was Prime Minister, the secretary of the cabinet did not appear before parliamentary committees.

Mr. Diefenbaker: Mr. Speaker, that is absolutely true and correct. But what is happening today is that the government of Canada is hiding information by refusing to allow those civil servants who can tell the story to come before committees.

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EXTERNAL AFFAIRS

VIET NAM—SUGGESTED EARLY RECOGNITION OF NEW REGIME

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I understand that the British government has announced its intention to give full recognition to the provincial revolutionary government of South Viet Nam. While I appreciate that we in this country do not inevitably follow the British precedent, will the government give urgent consideration to such recognition, especially—

● (1430)

An hon. Member: Why?

Mr. Brewin: Just a minute and I will tell you why.

Mr. Speaker: Order, please. Perhaps the hon. member could do that at some other time.

Some hon. Members: Hear, hear!

Mr. Brewin: Mr. Speaker, the "why" is incorporated in the last sentence of my question.

Mr. Speaker: Order, please.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I think I understand what the hon. member was getting at even though he did not have a chance to complete his question. The government is presently giving urgent consideration to this question and is aware that the British government has taken or is about to take the action to which the hon. member refers.

Mr. Brewin: Mr. Speaker, will the government, in giving attention to this question, also take into account that such recognition is important if we are to discuss directly with the de facto government of South Viet Nam Canada's participation in international aid and the reconstruction of that war torn country?

Mr. MacEachen: Yes, Mr. Speaker. That would obviously be a possible subject for discussion when and if active recognition is entered into.

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NORTHERN AFFAIRS

BERGER COMMISSION—REQUEST FOR DIRECT FUNDING OF NORTHERN ASSESSMENT GROUP

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, despite the temptation to clarify the Prime Minister's obvious misunderstanding of what went on in the committee last night—

Some hon. Members: Question.

Mr. Clark (Rocky Mountain): —the deliberate misunderstanding of what went on, my question is directed to the Minister of Indian Affairs and Northern Development. Since Mr. Justice Berger has just announced that his budget will contribute $100,000 to the Northern Assessment Group, which would indicate that in Mr. Justice Berger's view the inquiry requires a long-term assessment which only the Northern Assessment Group can provide, will the minister accept that view and provide direct federal funding for the essential research by that group, or compensate the budget of Mr. Justice Berger?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as you will recall, this is a suggestion I made two or three weeks ago in this House, that Mr. Justice Berger could possibly find the money within his budget to assist, in this case, the native people to acquire the services of members of the Northern Assessment Group. I am delighted he has found that he is able to squeeze his budget to that extent.

Mr. Clark (Rocky Mountain): Mr. Speaker, I should like to direct the attention of the minister to today's question and not one at issue three weeks ago. I would ask him whether it is the intention of the government of Canada to contribute directly to the research of the Northern Assessment Group or to compensate the Berger inquiry for moneys it has now allocated to that group so that the over-all activities of the Berger inquiry will not be limited or curtailed unnecessarily by the apparent desire of this government not to have that inquiry do its job?

Mr. Buchanan: Mr. Speaker, to follow that along in sequence; firstly, it is not the intention of the government to contribute directly to the Northern Assessment Group; and secondly, we assume Judge Berger to be a competent and capable individual who has made the decision that he has these resources from the funds which are totally and completely provided by this government.

Mr. Clark (Rocky Mountain): Mr. Speaker, is it still the position of the minister, as stated yesterday—

Some hon. Members: Order.

Oral Questions

BERGER COMMISSION—MINISTER'S VIEW OF ADEQUACY OF RESEARCH DONE BY NORTHERN ASSESSMENT GROUP

Mr. Joe Clark (Rocky Mountain): Is it still the position of the minister, as stated yesterday at page 5672 of *Hansard* that it was his understanding that the research was done? I ask this in light of the fact that Mr. Justice Berger has now granted $100,000 from his own scarce funds which would indicate that in his view the necessary long-term research was not done. Is the minister still in disagreement with Mr. Justice Berger as to the adequacy of the long-term research that has been done by the Northern Assessment Group?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Personally, Mr. Speaker, I would suggest that these are public funds being used and not those of Mr. Justice Berger. Secondly, as I indicated, this is a decision which he has taken in his wisdom, and also as I have indicated, it is not our policy to provide funds directly to the Northern Assessment Group. These funds last year were provided through Mr. Justice Berger for the original funding which was given to the Northern Assessment Group.

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EXTERNAL AFFAIRS

SOUTHEAST ASIA—SUGGESTED PROTEST AGAINST ACTIONS OF COMMUNISTS DURING TAKEOVER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question relating to the one put by the hon. member for Greenwood to the Secretary of State for External Affairs. My question deals with the communist takeover of various countries including South Viet Nam, Cambodia and probably Laos. In light of the fact that the president of the United States has now disclosed in an official executive way the bloodbath that is going on during the communist takeover, and in light of the national press reports regarding the 5,000 refugees who lost their lives as the result of the sinking of a ship, has there been any thought by this government of making an official protest through the proper channels of the United Nations or otherwise in reference to this kind of conduct that is taking place during this communist takeover?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, I have already commented from time to time in the House in respect of events in South Viet Nam.

Mr. Woolliams: Mr. Speaker, I am well aware that the minister has commented, but it seems to me he is now afraid to comment. I am asking whether his government has made any formal protest. If he is going to remain silent, it is obvious his government has made no protest, nor does it intend to protest.

Mr. MacEachen: Mr. Speaker, if the hon. gentleman would specify in more clearcut terms exactly what the nature of the protest should be, it might be possible to answer his question.

[Mr. Clark (Rocky Mountain).]

Mr. Woolliams: I was asking specifically about a protest in relation to the fact that there has been a bloodbath in Cambodia, as admitted by the president of the United States, and 5,000 refugees lost their lives as a result of the sinking of a ship. Surely, that kind of conduct against refugees calls for a protest by this government.

Mr. MacEachen: Mr. Speaker, I believe I have stated in the House in the strongest possible terms—

Mr. Woolliams: In your terms.

Mr. MacEachen: —in the strongest possible terms our feelings of regret, indeed in much stronger terms than that, about the suffering which has been inflicted, as a result of this conflict, on innocent civilians, especially those who have been displaced as a result of this conflict and who are now of a refugee status. Obviously, the government of Canada has gone much further than that in opening its doors to refugees from Viet Nam, and in offering humanitarian assistance in every way it is possible for Canada to act effectively in this context.

Some hon. Members: Hear, hear!

* * *

INDUSTRY

AUTO PARTS—POSSIBLE CONSULTATIONS WITH UNITED STATES ON MEASURES TO COUNTERACT TRADE DEFICIT

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, in view of the fact the automotive parts trade with the United States for the first quarter of 1975 shows a deficit of $529 million, does the Minister of Industry, Trade and Commerce plan any discussion with his United States counterparts in relation to the auto pact to see what can be done to bring this valuable part of our economy into balance? Could the minister also advise us about the results of the studies of the effect of DISC for western hemisphere trading corporations on our automotive parts trade?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we have no specific plans for discussions with the Americans, but we do have plans to have discussions with the auto parts industry.

AUTO PARTS—LONG-TERM EFFECTS OF IMPORTS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, in view of the continuing high level of unemployment in the automotive parts industry, could the minister advise us about the long-term effects of imports of automotive parts from developing countries, and can he justify the classification of Brazil, Argentina, Venezuela and Mexico as developing nations when the investment in the automotive industry and the production of units in those countries almost equals ours?

● (1440)

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I gave a full explanation of these particular measures before the committee on

finance, trade and economic affairs last week. If the hon. member will take a look at the record, he will get the answer.

* * *

EXTERNAL AFFAIRS

SUGGESTED PROCESSING OF SURPLUS EGGS AND POTATOES FOR USE IN FOOD AID PROGRAMS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is for the honourable and humane Secretary of State for External Affairs. In light of Oxfam's recent purchase of surplus eggs from the Alberta Egg and Fowl Marketing Board, which have been processed for disaster relief in the East Indian states, would the minister consider adopting the suggestion of the manager of the egg board and look upon the plan as a pilot project for future Canadian aid programs, and will he also discuss with his colleague the Minister of Agriculture the progress being made on a program to process this year's surplus potato crop for food aid and thus avoid yet another shameful destruction of valued food stocks?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, in view of the hon. member's preamble I will be happy to give very careful consideration to each of the points he has made.

* * *

[*Translation*]

BILINGUALISM

REQUEST FOR PUBLICATION OF REAL COST OF POLICY

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the right hon. Prime Minister.

The Commissioner of Official Languages, Mr. Keith Spicer, is of the opinion that the people of Canada should be made aware of the real cost of the bilingualism policy in Canada, of the expenditures related both indirectly and directly to this policy. Would the Prime Minister tell us whether the wish expressed by the Commissioner of Official Languages will be answered soon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not recall the particular context in which this statement was made but, of course, it corresponds to the general position taken by the government, namely that the citizens, the taxpayers, are entitled to know how their tax dollar is spent. In principle, I agree with him. As for the details, I shall confer with the President of the Treasury Board to see whether there is any way to provide the hon. member with further details concerning the expenditures involved.

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—REQUEST FOR MEASURES TO COUNTERACT SITUATION IN ATLANTIC PROVINCES

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Finance. Unemployment figures released today show an unadjusted unemployment rate for April for the Atlantic Provinces, excluding Prince Edward Island, of 14.6 per cent. What plans does the minister have for the critical task of job creation for this hard-pressed region, and especially the very hard-hit areas such as Newfoundland, Cape Breton and Northern New Brunswick?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I hope the budget when it is brought forward will recognize the regional pattern of the four Atlantic provinces. I echo the sentiments set forth by the hon. member.

Mr. Speaker: One supplementary by the hon. member for Cape Breton-East Richmond.

Mr. Hogan: Mr. Speaker, I am sorry the Minister of Finance did not recognize this in his November budget. In 1971, when this government chose to fight inflation by wiping out the livelihoods of many working people in this country, the Atlantic provinces experienced an unemployment rate of 8.6 per cent—

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

Mr. Hogan: Yes, Mr. Speaker. How high will the minister allow the Unemployment rate to rise in the Atlantic region before we can get relief?

Mr. Speaker: Order, please. The hon. member for Frontenac-Lennox and Addington.

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CRIMINAL CODE

PROPOSED INCREASE IN PENALTIES FOR EXTORTION—GOVERNMENT POSITION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Justice. I am sure I voice the concern of all members about the alarming increase in the crime of extortion which is now prevalent in our country. Current press reports cite an increase—

Mr. Speaker: Order, please. Would the hon. member put his question.

Mr. Alkenbrack: Yes, Mr. Speaker. As a result of the prevalence of the crime of extortion in this country, preying mainly on the banking and financial professions, will the government and the judiciary immediately review this very serious situation and legislate to increase the penalties for such crimes in order to more severely punish and deter those who would commit them?

Hon. Otto E. Lang (Minister of Justice): Well, Mr. Speaker, I would be glad to receive any positive suggestions from the hon. member, but it is my impression that there is a good deal of flexibility in the sentences which are available, and that the courts and judges can indeed increase these penalties if this matter becomes a more frequent problem. I think the question is more one of an enforcement problem and the facilities in that regard. I will be glad to receive any suggestions the hon. member has.

* * *

TRANSPORT

INQUIRY AS TO WHICH DEPARTMENT RESPONSIBLE FOR OPERATING COSTS OF SEVEN FALCON JETS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Transport. In January the Minister of National Defence stated he would dispose of seven Falcon executive jets to cut costs. On Tuesday he told the committee that his department no longer has the seven jets in its budget but that the Ministry of Transport might include them in its fleet. Can the minister inform the House if the planes are now under his control?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker.

Mr. McKinnon: Mr. Speaker, my supplementary is directed to the Minister of National Defence. Could he inform the House what department is paying the operating costs of these planes, and whether there is any saving to the taxpayer by shuffling executive jets from one department to another.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the aircraft are being operated by the Department of National Defence, but as I informed the committee they are not in the National Defence budget. Their cost will be carried by the government but the department which will carry that cost has not been determined at this time.

* * *

LABOUR CONDITIONS

POSSIBILITY OF INQUIRY UNDER CANADA LABOUR CODE INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION—MINISTER'S POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is addressed to the Minister of Labour. On May 1 the minister stated that he had just received material from the Minister of Justice showing that there may be enough evidence to form the basis for an inquiry into labour activities of the SIU under the Canada Labour Code or by using another option for conducting a further inquiry. Last week as well, he indicated he would make his decision known to this House within a few days. I would, therefore, like to ask the minister whether he has studied the Justice Minister's material and whether the information now justifies an inquiry under either the Canada Labour Code or under one of his stated options?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I have studied the report of the Minister of Justice. I have taken the matter up with my colleagues now, and hope to have a decision which I can bring to the House perhaps by the end of this week.

* * *

FINANCE

REASON FOR DELAY IN ESTABLISHING FEDERAL MORTGAGE EXCHANGE CORPORATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Finance. Given the fact that yesterday the Prime Minister said he would inquire into the nature of the difficulties which have delayed the setting up of the Federal Mortgage Exchange Corporation for over a year and a half, would the minister say what these difficulties have been and when we can expect this corporation, designed to provide a secondary mortgage market, will be established.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the difficulty has been to find, first of all, a president and board of directors who were not already in a potential conflict of interest and yet had experience in the field. I hope we will be able to announce the board shortly.

* * *

INDIAN AFFAIRS

ALLEGED WITHDRAWAL OF VOCATIONAL REHABILITATION FACILITIES FROM NATIVES OF TREATY STATUS—POSSIBLE CONTRAVENTION OF BILL OF RIGHTS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Has a directive gone out from the minister's department to the Department of National Health and Welfare of the Province of Manitoba announcing that the vocational rehabilitation services of that department are to be withdrawn in respect of persons of treaty status.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Not to my knowledge, Mr. Speaker. I am afraid I will have to look into it for the hon. member and get back to him.

Mr. Dinsdale: Mr. Speaker, while the minister is investigating this matter, could he also determine whether the withdrawal of services would be contrary to the Canadian Bill of Rights?

Mr. Buchanan: Yes, Mr. Speaker.

● (1450)

VETERANS AFFAIRS

INQUIRY AS TO DISSEMINATION OF INFORMATION ON HOUSING PROGRAM—DISCUSSION WITH ORGANIZATIONS ON NON-PROFIT PROVISION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs, and I welcome him back from his trip to Italy.

Some hon. Members: Hear, hear!

Mr. Marshall: Now that the minister has returned, I wonder if he would advise the House what action he is taking to disseminate the information on the three minor factors under the veterans housing program which he announced and which came into effect on May 1.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in answer to the hon. member's question, today's press carries quite a dissemination of it, and also there will be further information released by the office of the Minister of State for Urban Affairs. This will be in effect pretty soon.

Mr. Marshall: In view of the fact that the non-profit section of the program would require non-profit organizations to implement the building of apartments or housing for veterans, what action has the minister taken to discuss with veterans organizations, and particularly the Canadian Legion, the initiation of such programs on behalf of veterans?

Mr. MacDonald (Cardigan): The legion branches themselves have shown great interest, and some have already put forth some effort in this respect. Members of our department from various areas across the country have informed them where the information is available, where they can apply and what have you.

HOUSING PROGRAM—PROPOSED AMENDMENT TO INCLUDE REHABILITATION OF SUBSTANDARD HOUSES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): One of the most important needs of veterans today is the rehabilitation of downgraded and substandard homes. Would the minister, in consultation with the Minister of State for Urban Affairs, consider amending the program announced to include a rehabilitation factor so that grants could be made available to veterans to upgrade their homes which are now substandard and which they cannot afford to fix themselves because of fixed incomes?

Hon. Daniel MacDonald (Minister of Veterans Affairs): Yes, Mr. Speaker. This portion of it can certainly receive consideration, the same as other programs in the Department of Veterans Affairs which are always under consideration for further improvement.

ADMINISTRATION OF JUSTICE

USE OF LEGITIMATE ENTERPRISES BY ORGANIZED CRIME—GOVERNMENT ACTION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Solicitor General, and it may be supplementary to a question asked of the Minister of Justice a little while ago. In view of the fact that a tremendous amount of gutter money from organized crime in Canada is being laundered into so-called legitimate enterprise, what new initiatives are the minister's department and the RCMP taking to eliminate or reduce this grave economic and social peril to our country?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that question would take me some time to answer, but I should tell the hon. member that we will be dealing with it this afternoon when I am before the justice committee with my department's estimates.

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THE MINISTRY

INQUIRY AS TO RESIGNATION OF CABINET MINISTERS

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Prime Minister. Has the Prime Minister received a resignation from the Solicitor General or any other cabinet minister, or have there been discussions regarding this?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am shocked at that question.

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HARBOURS

MONTREAL—ABILITY OF MARITIME EMPLOYERS' ASSOCIATION TO MEET LOAN COMMITMENTS

Mr. J. M. Forrestall (Darmouth-Halifax East): Mr. Speaker, I hope the Minister of Transport will not be shocked by my question. I want to ask about the financial obligations of the Maritime Employers' Association to both the government and the banks with respect to certain guarantees. I ask the minister whether the Maritime Employers' Association has approached the government with respect to their ability to meet their commitments to the banks, commitments which the government has guaranteed, and whether they are now in a position to continue with the retirement of that debt and to meet the interest and principal payments, in view of the very lengthy strike in the river ports.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, unfortunately, I cannot do it today, but I might be in a position to do it tomorrow. I know that the MEA was asking that we forgo the tax which was supposed to come back to the National Harbours Board in order to help the MEA meet its obligation, but I do not know what agreement has been reached, and by tomorrow I should be able to answer the hon. gentleman's question.

Oral Questions

CONFLICT OF INTEREST

REQUEST FOR DISCLOSURE OF NAMES OF DONORS OF SWIMMING POOL AT PRIME MINISTER'S RESIDENCE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Cossitt: In view of the disclosure to the Standing Committee on Miscellaneous Estimates last night by a senior member of the Privy Council that no one in government knows the names of the donors to the $200,000 swimming pool at 24 Sussex Drive, and that no investigation was made of their background or connections to determine conflict of interest, will the Prime Minister now agree to full disclosure of all details concerning this affair?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I made it clear before that no one in the government, not even myself, knows the names, and therefore there cannot be any possible suggestion of conflict of interest.

Mr. Cossitt: What law or cabinet decision permits a group of persons unknown to the government or to parliament to enter upon government property, hire a contractor, dig a big hole—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Cossitt: —do thousands and thousands of dollars worth of work without their names and motives being known to the government or parliament? What authority does the Prime Minister have, without the authority of parliament, to order this particular—

Mr. Speaker: Order, please. The hon. member for St. John's West.

* * *

FISHERIES

REQUEST FOR DETAILS OF VIOLATIONS OF ICNAF QUOTAS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of State (Fisheries). Some weeks ago I asked the minister a question regarding the ICNAF quotas and whether any countries violated those quotas, and if so, to what extent. The minister promised to tell the House at a later date. I wonder if he is now able to tell the House just what happened with regard to the quotas.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the quotas from the beginning of the year, which is January, as far as I know have not yet been violated. There has been heavy fishing. We are keeping a careful eye on this. In fact, the DND vessel *Annapolis* boarded 12 Russian ships in the last few days; 10 Spanish ships were boarded and surveillance is quite effective.

[Mr. Marchand (Langelier).]

Mr. Carter: My question was connected with last year's quotas, not this year's.

Mr. LeBlanc (Westmorland-Kent): I will have to check into this and inform the hon. member.

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THE CANADIAN ECONOMY

INFLATION—RESPONSIBILITY FOR DISCUSSIONS SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister, who made it clear a number of months ago that the consensus program was under his direction. Is this program still under the direction of the Prime Minister, or now that it is not going so well, is the responsibility pinned on the Minister of Finance.

Some hon. Members: Oh, oh!

Mr. Hees: He's handed it over to John.

Mr. Speaker: Order, please. The hon. member for Calgary Centre on a question of privilege.

Mr. Andre: Mr. Speaker, there was a development just prior to noon this morning in one of the standing committees which, when combined with answers given to questions raised by the hon. member for Peace River (Mr. Baldwin) in the question period, gives me reason to ask the Chair's permission to consider this as notice of my intention to raise a question of privilege tomorrow.

Mr. Speaker: The hon. member ought to know that if events have taken place today which give rise to a question of privilege, he should raise it now.

Mr. Andre: I am prepared to do so, although I have not done the preparation I would have liked, But if that is the proper procedure, I will proceed at this point.

Mr. Speaker: There has to be some indication of what the question is. At the moment I have notice of a question of privilege but I have no idea with what it is connected.

Mr. Andre: My reason for giving notice is that I have not had the opportunity of giving the required notice according to my understanding of the rules, and in order not to preclude the possibility of raising this question tomorrow I give notice at this time.

Mr. Speaker: I think perhaps the hon. member misunderstands me. That is not the problem. In the past, when a member has found himself in a position where he wished to raise a question of privilege but needed time to prepare it, I have always taken the position that once having given notice he was freed of any difficulty about having raised it at the first opportunity. The only trouble is that the hon. member has not told me what the question of privilege is about. If he raises it tomorrow I will know what it relates to.

• (1500)

Mr. Andre: Mr. Speaker, my question of privilege deals with the right of members of parliament to obtain information and to question officials and representatives of government. I am giving notice at this time of a substantive question of privilege to be raised tomorrow on this subject.

ROUTINE PROCEEDINGS

[*Translation*]

LABOUR, MANPOWER AND IMMIGRATION

Third report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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[*English*]

CANADIAN BROADCASTING CORPORATION

TABLING OF ANSWER RELATING TO TELEVISING OF PROGRAM "ENCOUNTER WITH CANCER"

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table, in both official languages, an answer relating to the Canadian Broadcasting Corporation's position vis-à-vis the televising of the film production "Encounter With Cancer" to be seen on English network television on Sunday, May 18, 1975.

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CANADA ELECTIONS ACT

AMENDMENT TO ELIMINATE REFERENCES IN FEDERAL ELECTIONS TO CANDIDATE'S POLITICAL AFFILIATION

Mr. Leonard C. Jones (Moncton) moved for leave to introduce Bill C-389, to amend the Canada Elections Act (political affiliation).

Some hon. Members: Explain.

Mr. Jones: Mr. Speaker, the purpose of this bill is to delete certain references in the Canada Elections Act to political party affiliation, and in particular the need for a certificate on a nomination paper by a party leader or his delegate, the reasons for which should be obvious to all members of this House and the public generally; that is, in order to preserve democracy and freedom of choice.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,788, 2,076, 2,091, 2,098, 2,111, 2,113, 2,114, 2,122, 2,129, 2,162, 2,171, 2,173, 2,181, 2,184, 2,185, 2,186, 2,195, 1,238, 2,262, 2,292, 2,298, 2,339 and 2,422.

Mr. Speaker, if questions No. 58 and 2,009 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,215?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

INTELLIGENCE GATHERING ACTIVITIES ON BEHALF OF FBI

Question No. 1,788—**Mr. Beatty:**

1. Did the government give its prior approval to Joseph Burton's intelligence-gathering activities in Canada on behalf of the FBI?

2. On how many occasions was this prior approval sought and given?

3. What are the dates which the government has a record of his presence in Canada?

4. Did the government give its approval to his activities as an agent provocateur in disrupting relations between leftist groups?

5. For what reason did the government feel it was necessary to have an agent of a foreign government engage in intelligence-gathering in Canada instead of utilizing Canadians for this function?

6. Were the full copies of his reports to the FBI immediately made available to the Canadian government or was the government only given partial reports?

7. By year since 1970 (a) on how many occasions has the FBI requested permission from the government to send its operatives to Canada (b) on how many occasions was permission granted?

8. How many arrests (a) resulted from his Canadian activities (b) resulted in conviction?

Hon. Warren Allmand (Solicitor General): 1. Yes, this was done with the knowledge and consent of the RCMP.

2. Four times.

3. November 17 18 and 19, 1972; May 12, 1973; July 14 and 15, 1973; August 11 and 12, 1973.

4. No.

5. The trans-national character of terrorist and extremist organizations compels close liaison arrangements between allied Security agencies in order to effectively monitor their activities. Joint operations between the RCMP and the FBI are undertaken where the activities of such groups overlap the Canada/USA border.

6. The RCMP are satisfied that they were provided with a full report by the FBI.

7. (a) 1970, 4; 1971, 2; 1972, 7; 1973, 13; 1974, 6; 1975, Nil; (b) 1970, 4; 1971, 2; 1972, 7; 1973, 13; 1974, 6; 1975, Nil.

8. (a) Nil. (b) Nil.

Order Paper Questions

BORROWING REQUIREMENTS FOR CAPITAL DEVELOPMENT

Question No. 2,076—**Mr. Herbert:**

1. With reference to the answer to Question No. 864, does the Minister of Finance intend to rely solely on discussions with provincial governments in order to attempt to regulate borrowing requirements for capital development purposes or is he considering any fiscal regulatory measures?

2. By what means will the borrowing priorities of the provincial governments be rated and is the government intending to impose any controls on the inflow of foreign capital?

Hon. John N. Turner (Minister of Finance): 1. The purpose of the annual federal-provincial exchange of borrowing information described in the answer to question 864 is to aid the design and conduct of shorter-term economic stabilization policies through better data related to the provinces' role in the domestic demand for goods and services and the financing of the capital account of Canada's international balance of payments. The discussions have had a macro-economic setting, exclusively, and have not touched on the regulation of individual provinces' access to foreign bond markets. On February 27, 1975 the Minister of Finance announced the withdrawal of the foreign borrowing guidelines introduced by the government in 1970. Mr. Turner said the government no longer wishes Canadian borrowers to feel constrained by the request made by his predecessor and since repeated on several occasions to explore fully the availability of funds in Canadian capital market before floating issues outside of Canada. This specific request to Canadian borrowers is being withdrawn at this time because the current account of Canada's balance of payments is not now in a surplus position as it was when the request was made. Mr. Turner noted that the House of Commons approved an amendment to Clause 118 of Bill C-49. The effect of that amendment was to extend the exemption from withholding tax for interest on government bonds for a further three-year period—that is, government securities issued before 1979. This should resolve the immediate problem which has been of particular concern to the provinces—the problem of organizing their budgetary and borrowing requirements over the difficult next period of several years. The minister expressed confidence that these changes will help Canadian authorities and businesses in planning their financial affairs.

2. The government has no intention of rating the borrowing priorities of provincial governments. The government is not contemplating imposing any controls on the inflow of foreign capital to provincial governments.

APPOINTMENT OF MR. GILLES LACOURSIÈRE

Question No. 2,091—**Mr. Fortin:**

1. On what date was Mr. Gilles Lacoursière appointed chairman of an arbitration board?

2. During how many sitting days and half sitting days did he sit on the board?

3. How many appeals did he hear since his appointment (a) how many were heard in the presence of the beneficiary (b) how many were granted in the presence of the beneficiary?

4. Of the appeals heard by Mr. Lacoursière since his appointment, how many hearings were held (a) in the absence of the beneficiary (b) in the presence of the beneficiary (c) when the beneficiary was represented and, in each case, how many appeals were granted in favour of the beneficiary?

[Mr. Allmand.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. On November 1, 1973, to the Board of Referees of Trois-Rivières.

2. At March 31, 1975, he had sat for 17 days and 10 half-days.

3. Appeals heard, 202. a) Claimant present, 116. b) In favour of the claimant, 30.

4. a) Absent, 86; In favour of the claimant, 10. b) Present, 116; In favour of the claimant, 30. c) Represented, 54; In favour of the claimant, 16.

UIC—NUMBER OF CASES HEARD BY BOARDS OF REFEREES, 1973-74

Question No. 2,098—**Mr. Laprise:**

For the fiscal year 1973-74, how many cases were brought before the UIC arbitration magistrate and how many were decided in favour of the beneficiary for the (a) Montreal area (b) Province of Quebec?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Cases heard in the Quebec region: 7,603. In favour of the claimant: Montreal area, 405; Province of Quebec, 1,426.

UIC—MATERNITY BENEFITS

Question No. 2,111—**Mr. Lambert (Bellechasse):**

1. In 1974, how many maternity benefits were paid in each province?

2. How many women lost their maternity benefits on account of premature birth?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Maternity Benefits by Province—January-December, 1974:

	(Dollars)
Newfoundland	1,477,834
Prince Edward Island	371,929
Nova Scotia	2,340,393
New Brunswick	1,701,589
Quebec	22,847,291
Ontario	33,023,488
Manitoba	3,760,267
Saskatchewan	2,543,288
Alberta	6,471,901
British Columbia	6,934,811
Yukon	105,317
North West Territories	113,151
Outside Canada	16,862
Canada	81,708,121

2. Data not available.

UIC—NUMBER OF PEOPLE DENIED BENEFITS IN 1974

Question No. 2,113—**Mr. Lambert (Bellechasse):**

For the year 1974, how many persons were deprived of unemployment insurance allocations because (a) they did not have a way of transportation (b) they had moved or were living in a community where job opportunities were practically non-existent (c) they had moved in an area where another language was spoken and could not

obtain a job in the other language (d) they could not give the name of a babysitter for their children?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The commission does not compile statistics on these component factors of "availability". To be eligible for unemployment insurance benefits, Section 25(a) of the act requires that the claimant be capable and available for work. The factors of transportation, residence, language competence and child care arrangements are but few of the multiplicity of factors which are taken into consideration in establishing a claimants "availability" for work. For example, distance and transportation are considered against the background of normal commuting practice of workers in the area in which they reside, the opportunities for return to suitable employment in immediate and contiguous areas, and claimants' duration of unemployment. The principle here is that the claimant who is genuinely interested in returning to work must be given a reasonable opportunity to make the adjustments necessitated by the realities of the labour market and associated conditions.

UIC—FUNDS ALLOCATED IN 1973-74 FOR PUBLICITY AND INFORMATION IN QUEBEC

Question No. 2,114—**Mr. Lambert (Bellechasse):**

1. For the fiscal year 1973-74 for each district or regional office in the Province of Quebec, what budgetary funds were allocated for publicity and information of those receiving unemployment insurance benefits?

2. What portion of the budgetary funds were effectively used?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. 1973, $24,200; 1974, $50,178.

2. 1973, $22,300; 1974, $42,611.

Order Paper Questions

AIRPORT INQUIRY COMMISSION

Question No. 2,122—**Mr. Stevens:**

1. What was the total cost of the Airport Inquiry Commission appointed by Order in Council PC 1973-3026, dated October 5, 1973?

2. What was the total amount paid or payable in salaries, fees or expenses to the Chairman and each Commissioner for their work on the Commission?

3. What was the total amount in salary, fees or expenses paid or payable to (a) Research Director (b) each Research Assistant (c) each Office Manager (d) secretary to the Chairman of the Commission (e) General Counsel (f) each Associate Counsel (g) each Internal Counsel?

4. (a) What was the total amount in salary, fees or expenses paid or payable to each consultant (b) what are their names (c) nature of work (d) for what period of time were they employed?

Right Hon. P. E. Trudeau (Prime Minister): 1. $764,153.09.

2. $71,428.55; details follow: Hon. Justice H. F. Gibson: Expenses, $10,513.73; Honoraria, Nil. Murray V. Jones: Expenses, $3,323.96; Fees, $33,390.00; Total, $36,713.96. Howard E. Petch: Expenses, $3,628.17; Fees, $20,572.69; Total, $24,200.86.

3. (a) $13,991.59—Paul A. Gratton: Expenses, $1,699.98; Salary, $12,291.61; Total, $13,991.59. (b) $7,351.34—Joan Miles—Salary. $2,053.72—Gaylanne Phelan—Salary. (c) $18,653.69—Arthur Simms: Expenses, $487.67; Salary, $18,166.02; Total, $18,653.69. $4,301.97—W. Stewart Blizzard—Salary. (d) $12,464.78—Audrey Faux—Salary. (e) $66,122.50—Ralph S. McCreath, Q.C. (f) $72,085.39—Robert W. Macaulay, Q.C. $92,250.84—Barry A. Monaghan. $18,065.90—John D. Richard. (g) $2,292.50—Arnold S. Weinrib. $14,731.78—Wayne C. Gay.

4.

(a) Amount	(b) Name	(c) Nature of Work	(d) Duration
$ 4,625.00	Abouchard, Alan Prof.	Economic Consultant to advise on Transportation planning	24½ days
$ 580.00	Atherton, David L.	Expert witness to attend hearing	2 days
$ 30.50	Foster, Charles Col.	Expert adviser (expenses only)	2 days
$ 7,446.25	Fruchauf, Winfried Dr.	Consultant—Economic and Energy issues	212¾ hours
$ 360.00	Hauer, Ezra Prof.	Technical evidence analyst	2 days
$10,494.56	MacQuarrie, John J.	Technical Adviser—advise on the industrial and human aspects of engineering	69 days
$ 200.00	Richardson, Douglas, S., Ph. D.	Specialist—Expert witness	1 day
$ 300.00	Wade, J. H. T. Dr.	Expert witness—Preparation of material for hearing	1 day
$ 2,050.09	John Bousfield and Associates	Consultant to study the impact of air services at Pickering	24 days
$ 3,100.00	Comay Planning Consultants	Consultant to study the impact of air services at Pickering	7¼ days
$ 5,760.00	Landrum & Brown	Airport consultants—expert witness on airport constructions	44 hours

Order Paper Questions

UIC—MATERNITY BENEFITS—MARCH, 1973 TO MARCH, 1974

Question No. 2,129—**Mr. Huntington:**

1. How many people have received maternity benefits under UIC for the years ending March 31, 1973 and March 31, 1974?

2. What was the total amount paid by UIC for maternity benefits for the years ending March 31, 1973 and March 31, 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Year ending March 31, 1973: 44,217; Year ending March 31, 1974: 56,948.

2. Year ending March 31, 1973: $44,978,888; Year ending March 31, 1974: $69,772,401.

CIRCULATION OF $1,000 NOTES

Question No. 2,162—**Mr. Lachance:**

1. As of March 20, 1975, how many Bank of Canada $1,000 bills of exchange were in circulation?

2. How many such bills does the Bank of Canada issue each working day?

Hon. John N. Turner (Minister of Finance): 1. Information not available as of March 20, 1975. On February 28, 1975, there were 128,869 $1000 Bank of Canada notes in circulation.

2. The Bank of Canada fills requisitions for $1000 notes by the banks who in turn are responding to their customers' requirements. As of February 28, 1974 there were 105,396 $1000 notes in circulation. There was therefore a net increase of 23,473 notes of this denomination in circulation in the 12 months to February 28, 1975.

RCMP COMMISSION OF INQUIRY

Question No. 2,171—**Mr. Leggatt:**

What are the (a) names (b) backgrounds of those appointed to the RCMP Commission of Inquiry?

Hon. Warren Allmand (Solicitor General): (a) Judge René J. Marin, Chairman; Mr. Robin P. Bourne, Member; Staff Sgt. Robert A. Potvin, Member; Inspector Donald K. Wilson, Member; Mr. Ross Wimmer, Member.

(b) Judge René J. Marin—County and District Court Judge, province of Ontario and former Special Assistant and Coordinator Federal Law Reform Commission. Graduate of University of Ottawa, Bachelor of Arts, Bachelor of Philosophy (1957) and Bachelor of Law (Ontario (1960). Called to the Bar of Ontario (1962). Appointed member of the Ontario Municipal Board in 1966. Appointed magistrate for the province of Ontario and Judge of the Juvenile and Family Court, county of Renfrew, Ontario in 1968. Appointed Judge of the Provincial Court (Criminal Division) in 1968. Appointed to the Law Reform Commission of Canada in 1971. Appointed County and District Court Judge (province of Ontario) in 1973. Received Honorary LL.D. Laurentian University in 1974.

Mr. Robin P. Bourne—Assistant Deputy Minister, Police and Security Planning and Analysis, Ministry of the Solicitor General of Canada. Graduate of the Royal Military College of Canada in 1952 and the University of Western Ontario in 1954. Served in the Canadian Army in various operational and staff appointments in Korea, Germany, United Kingdom, Cyprus and Canada. Seconded to the cabinet secretariat of the Privy Council Office in 1968, and to the Ministry of the Solicitor General in 1971. Retired from the Canadian Forces in 1972 with the rank of colonel and joined the public service of Canada.

Staff Sgt. Robert A. Potvin—Joined the Royal Canadian Mounted Police January 6, 1953, and has served in Saskatchewan, Alberta, Nova Scotia and Ontario. He has been employed on both general police duties and in the security service. In 1973 he was elected Staff Relations Representative for "BQ" Division and re-elected in 1974. His secondment to the Commission of Inquiry resulted from his being nominated by the other division staff relations representatives.

Inspector Donald K. Wilson—Joined the Royal Canadian Mounted Police on August 26, 1957. Following varied police duties in Alberta, Manitoba and British Columbia he was appointed to the rank of inspector on May 1, 1968. At the time of his appointment to the Commission of Inquiry Inspector Wilson was in charge of the force's legal branch. He possesses a Bachelor of Law degree from the University of Manitoba.

Mr. Ross Wimmer—Senior partner in the law firm of Wimmer, Toews, Kaufman, Kraus & McKay, Regina, Saskatchewan. Graduated in law from the University of Saskatchewan in 1959; admitted to the Bar of the province of Saskatchewan, 1961; of the province of Alberta, 1966; and of the province of Manitoba 1973; served as a Judge of the Magistrate's Court in the province of Saskatchewan during 1967; appointed as agent of the Attorney General for the province of Saskatchewan in 1972; member of the Canadian Bar Association; president of the Regina Bar Association; presently a Bencher of the Law Society of Saskatchewan.

EDUCATIONAL REQUIREMENTS FOR ENTRY TO MILITARY COLLEGES

Question No. 2,173—**Mr. Cossitt:**

1. What is the educational requirement for admission of French speaking students to military colleges operated by the Department of National Defence and specifically, is it, among other things, a Grade 10 education?

2. What is the educational requirement for admission of English speaking students to military colleges operated by the Department of National Defence and specifically, is it, among other things, a Grade 12 or 13 education?

3. Are French speaking students admitted to National Defence Military Colleges with a lower educational requirement than English speaking students and, if so, what are all the reasons for this?

Hon. James Richardson (Minister of National Defence): 1. The educational requirement for admission of French speaking students to military colleges operated by the Department of National Defence is based on provincial secondary school standards as they apply to all students of

that province. Canadian Military College academic entry standards are entirely associated with an applicants' academic eligibility to enter the baccalaureate programs.

2. The educational requirement for admission of English speaking students is based on exactly the same criteria as outlined in part 1 of this question.

3. No.

NATIONAL DEFENCE—EXPENDITURES FOR GOODS AND SERVICES EXCLUSIVE OF PERSONNEL COSTS

Question No. 2,181—**Mr. Forrestall:**

1. In each fiscal year ending March 31, 1963 to March 31, 1973, what was the level of DND expenditures for goods and services exclusive of personnel costs?

2. In each case, what was the percentage increase in the level of DND expenditures for goods and services exclusive of personnel costs of the given year over that of the immediately preceding year?

3. In each case, what was the real increase in total cost for goods and services to the Department for the given year over that of the immediately preceding year and what deflator was used?

4. In each case for which a deflator of any type was used in calculating the real increases sought in Part 3, what was the deflator as a percentage?

5. What is the deflator to be for the purposes of the 1975-76 fiscal year?

6. Are the deflators used identical to those used in arriving at the figures in answer to Question No. 1,325 and, if not, in what respects do they differ?

Hon. James Richardson (Minister of National Defence): 1, 2 and 3. The level of Department of National Defence expenditures for goods and services exclusive of personnel costs, percentage increases and real increases for the years in question are all contained in table below.

4 and 5. The deflator used in calculating the real increase and the deflator used for 1975-76 are all contained in table below.

6. The deflators used in the response to this question and questions 2,184, 2,185 and 2,186 are similar but not identical to those used in the response to question 1,325. Since question 1,325 was answered more complete actual expenditure data have become available on fiscal year 1974-75 and further economic analysis has been done on other recent fiscal years. The source of the deflators used in all of the referenced questions is the base data for the DND Economic Model (EM) which is a set of indices calculated within DND in order to measure the impact of inflation on defence expenditures more precisely than could be done with more widely used measures such as the Consumer Price Index (CPI). Economic Model rates are determined by analysis of economic data from a variety of sources including government departments, defence related industries and actual defence expenditures. Because inflation model data have not been developed for years prior to fiscal year 1970-71, a statistical derivation from the CPI had to be used for the earlier years.

DND Expenditures for Goods and Services—Fiscal Years 62/63 to 75/76

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Fiscal Year	Total Expenditures ($000,000)	Actual $ Increase Over Previous Year ($000,000)	Actual Percentage Increase Over Previous Year	CPI-EM Deflator as a Percentage	CPI-EM Inflation rate as a Percentage	Real $ Increase Over Previous Year ($000,000) Expressed in Previous Fiscal Year Dollars	Real Percentage Increase Over Previous Year Expressed on Previous Fiscal Year Base
61/62	310						
62/63	729	—81	—10.000	2.328	2.383	—98	—2.099
63/64	740	11	1.509	2.577	2.645	— 8	—1.097
64/65	687	—53	— 7.162	2.643	2.715	—71	—9.595
65/66	676	—11	— 1.601	3.272	3.383	—33	—4.803
66/67	694	18	2.663	5.608	5.941	—21	—3.107
67/68	750	56	8.069	5.264	5.556	17	2.450
68/69	723	—27	— 3.600	5.169	5.451	—64	—8.533
69/70	699	—24	— 3.320	6.087	6.482	—67	—9.267
70/71	683	—16	— 2.289	4.030	4.199	—44	—6.295
71/72	729	46	6.735	4.525	4.274	16	2.343
72/73	693	—36	— 4.938	5.900	6.270	—77	—10.562
73/74	822	129	18.615	9.471	10.462	51	7.359
74/75	932*	110	13.382	14.178	16.520	—22	—2.676
75/76	1,109**	177	18.991	11.332	12.780	51	5.472

* Forecast
** Estimate

Note: The relationship between an inflator and a deflator is expressed by the formula:

$$D = \frac{100\ I}{100 + I}$$

where D = Deflator; I = Inflator

Order Paper Questions

NATIONAL DEFENCE—AVERAGE LEVEL OF PRICE INCREASES FOR GOODS AND SERVICES 1972-74

Question No. 2,184—**Mr. Forrestall:**

With respect to the increase of 18% in defence expenditures on goods and services between the fiscal period 1972-73 and 1973-74 and the 5.9% real increase in goods and services as contained in the answer to Question No. 1,325, what was the average level of price increase in purchasing goods and services over this period, calculated independently of any increases in the volume of spending on goods and services?

Hon. James Richardson (Minister of National Defence): The average level of price increase in purchasing goods and services between the fiscal period 1972-73 and 1973-74 was 10.462 per cent. The source for this figure is the DND Economic Model described in response to question No. 2,181 (See Column 6 of table).

NATIONAL DEFENCE—AVERAGE LEVEL OF PRICE INCREASES FOR GOODS AND SERVICES, 1973-75

Question No. 2,185—**Mr. Forrestall:**

With respect to the increase of 16.8% in defence expenditures on goods and services between the fiscal period 1973-74 and 1974-75 and the .27% real increase in goods and services as contained in the answer to Question No. 1,325, what was the average level of price increase in purchasing goods and services over this period, calculated independently of any increases in the volume of spending on goods and services?

Hon. James Richardson (Minister of National Defence): The average level of price increase in purchasing goods and services between the fiscal period 1973/74 and 1974/75 was 16.52 per cent. The source for this figure is the DND Economic Model described in response to question No. 2,181 (See table, column 6).

NATIONAL DEFENCE—ESTIMATED REAL INCREASE IN COST OF GOODS AND SERVICES, 1974-76

Question No. 2,186—**Mr. Forrestall:**

Is the estimated real increase in the total cost of goods and services supplied to DND during the fiscal period 1974-75 as compared to the fiscal period 1973-74, 0.27% and, if so, expressed in percentage and using the same procedures based on the present estimates, what is the estimated real increase in the total cost of goods and services for the fiscal period 1975-76 as compared to the fiscal period 1974-75?

Hon. James Richardson (Minister of National Defence): The actual Department of National Defence expenditures on goods and services during the fiscal period 73/74 were $822 million. The forecast actual expenditures for fiscal year 74/75 are now $932 million. When the fiscal year 74/75 forecast is deflated to fiscal year 73/74 dollars there is a forecast real decrease of $22 million or 2.676 per cent. The estimated real increase of 0.2 per cent in the total cost of goods and services supplied to Department of National Defence during the fiscal period 1974/75 as compared to fiscal period 1973/74, reported in response to question No. 1,325 in February, 1975 has now shifted to a real decrease of 2.676 per cent due to the availability of an additional three months of actual expenditure data. This estimate could be further revised following analysis of final expenditure reports in July, 1975. For fiscal year 1975/76 the estimated level of expenditure on goods and services is $1,109 million. Using the same procedures, when this estimate is deflated to fiscal year 74/75 dollars it amounts to $983 million for a real increase of $51 million or 5.47 per cent over fiscal year 74/75. The source of these data are the Department of National Defence Economic Model as described in the response to question No. 2,181. (See table).

[Mr. Richardson.]

UIC—SEIZURES OF SALARIES IN 1973-74 IN THE PROVINCE OF QUEBEC

Question No. 2,195—**Mr. Fortin:**

1. How many salary seizures were made against unemployment insurance recipients during the 1973-1974 fiscal year (a) in the Province of Quebec (b) in each Quebec district office?

2. How many seizure threats were sent to unemployment insurance recipients during the same fiscal year (a) in the Province (b) in each Quebec district office?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) 504.

(b) Offices	Number of salary seizures—fiscal year
Longueuil	10
Montreal-East	169
Montreal-West	1
Quebec	48
Sherbrooke	161
Chicoutimi	57
Chandler	9
Rimouski	10
Rouyn	3
Regional Office	36
Total for the province:	504

2. Not available.

*CBC—HIRING OF FREELANCERS TO VISIT SOUTH EAST ASIA

Question No. 2,215—**Mr. Clark (Rocky Mountain):**

1. Did CBC hire or contract for a freelancer or freelancers to visit South East Asia on an assignment including, in whole or in part, a search for the son of Errol Flynn and, if so (a) what was the specific assignment (b) who made it (c) what was the projected cost (d) what was the actual cost (e) what is the name or names of any freelancer or freelancers?

2. (a) As of April 1, 1975, in what locations were the freelancer or freelancers involved (b) what was the last date on which CBC had direct communication with the freelancer or freelancers?

3. How did CBC come to enter into this arrangement with the freelancer or freelancers?

4. (a) How much film footage, audio and other interview material from this undertaking was in the hands of CBC as of April 1, 1975 (b) on what programme or programmes was such material used?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Broadcasting Corporation as follows: On occasion the CBC has engaged freelance personnel to gather film material on the war in South East Asia. The CBC has not, however, engaged anyone to search for the missing son of Errol Flynn.

NATIONAL DEBT

Question No. 2,238—**Mr. Lambert (Bellechasse):**

1. On July 1, 1867, what was the debt of (a) Canada (b) each province which formed Confederation?

2. What was the debt of each province when they joined Confederation and on what date did this occur?

3. On July 1, 1974, what was the debt of (a) Canada (b) each province?

Hon. John N. Turner (Minister of Finance): 1. Gross debt as at July 1, 1867 ($ millions): Canada, 79.8; New Brunswick, 7.9; Nova Scotia, 9.3; Total, 97.0.

2. Gross debt on joining Confederation: Prince Edward Island, June 26, 1873, 4.1; British Columbia, May 16, 1871, 1.5; Newfoundland, March 23, 1949, 6.1; Manitoba, May 12, 1870, 0; Alberta, July 20, 1905, 0; Saskatchewan, July 20, 1905, 0.

3. Please see reply to question No. 1,568, answered April 7, 1975.

VALUE OF ALL SHARES IN THE CHARTERED BANKS

Question No. 2,262—**Mr. Lambert (Bellechasse):**

1. What is the (a) par value (b) book value (c) market value (i) of each share (ii) of all shares in the various chartered banks?

2. On October 31, 1974, how many shares were held by each bank?

Hon. John N. Turner (Minister of Finance): 1. (a), (b) and (c) (i) Value of each share of chartered banks at October 31, 1974:

	Par Value $	Book Value[1] $	Market Value[2] $
Bank of Montreal	2.00	11.79	12.50
The Bank of Nova Scotia	2.00	21.72	36.00
The Toronto-Dominion Bank	2.00	19.83	34.75
La Banque Provinciale du Canada	2.00	10.12	12.50
Canadian Imperial Bank of Commerce	2.00	14.94	22.75
The Royal Bank of Canada	2.00	15.54	28.75
Banque Canadienne Nationale	2.00	14.65	13.88
The Mercantile Bank of Canada	5.00	6.88	16.00
Bank of British Columbia	10.00	26.00	18.25
Unity Bank of Canada	5.00	7.14	3.20

(ii) Value of all shares of chartered banks at October 31, 1974:

	Par Value $	Book Value[1] $	Market Value[2] $
Bank of Montreal	68,343,750	402,855,072	427,148,348
The Bank of Nova Scotia	37,125,000	403,210,539	668,750,000
The Toronto-Dominion Bank	33,750,000	334,651,310	586,406,250
La Banque Provinciale du Canada	11,700,000	59,196,670	73,125,000
Canadian Imperial Bank of Commerce	69,680,000	520,367,086	792,610,000
The Royal Bank of Canada	66,528,000	516,786,385	956,340,000
Banque Canadienne Nationale	14,000,000	102,556,590	97,160,000
The Mercantile Bank of Canada	30,000,000	41,250,640	96,000,000
Bank of British Columbia	5,105,550	13,274,320	9,317,629
Unity Bank of Canada	16,917,785	24,163,299	10,827,382
Total	353,150,085	2,418,311,911	3,717,184,699

(1) Calculated by dividing shareholders' equity (capital paid up, rest account and undivided profits) by the number of oustanding shares.

(2) Based on closing prices on the Toronto Stock Exchange on October 31, 1974.

2. Section 75(2)(c) of the Bank Act prohibits the acquisition by a bank of shares of the capital stock of the bank or any other bank. On October 31, 1974 the outstanding number of shares of each Canadian bank was as follows: Bank of Montreal, 34,171,875; The Bank of Nova Scotia, 18,562,500; The Toronto-Dominion Bank, 16,875,000; La Banque Provinciale du Canada, 5,850,000; Canadian Imperial Bank of Commerce, 34,840,000; The Royal Bank of Canada, 33,264,000; Banque Canadienne Nationale, 7,000,000; The Mercantile Bank of Canada, 6,000,000; Bank of British Columbia, 510,555; Unity Bank of Canada, 3,383,557.

GROUND PROXIMITY WARNING DEVICES—FLIGHT ATTENDANTS' CLOTHING—DC-10 AEROPLANES

Question No. 2,292—**Mr. Ellis:**

1. Have Ground Proximity Warning Devices been installed on any aircraft presently in service in (a) Air Canada (b) other Canadian airlines and, if not, are regulations being considered to request such installation?

2. Is the clothing used by flight attendants on airlines flying in Canada subject to CTC regulations with regard to being fire or flame resistant?

3. (a) Has the alleged major problem with cargo doors on DC-10 Aircraft been corrected on any airlines flying in or over Canada (b) has a retrofit been carried out on such aircraft, particularly in Canadian airlines?

Hon. Jean Marchand (Minister of Transport): 1. (a) There are no Ground Proximity Warning Devices installed in Air Canada aeroplanes. (b) One Canadian air carrier, CP Air, has Ground Proximity Warning Devices installed in their new B747s, and two new B727s also have these devices installed. Regulations in respect of the installation of Ground Proximity Warning Devices in certain Canadian aeroplanes operated by air carriers, are under active consideration, and the Ministry has a Ground Proximity

Warning Device installed in a Ministry Jetstar aeroplane for evaluation purposes.

2. There are no regulations that clothing worn by flight attendants flying on Canadian air carriers be fire or flame resistant.

3. (a) The United States Department of Transportation, Federal Aviation Administration, issued an Airworthiness Directive during April 1974 that required incorporation on or before July 1, 1974, of modifications to preclude false door latch warnings, and to ensure positive latching of DC-10 cargo doors. This Airworthiness Directive was also mandatory on DC-10 aeroplanes operated into or over Canada by air carriers from other countries in accordance with their ICAO Agreement. (b) There are no DC-10s operated by Canadian air carriers.

INDUSTRIAL DEVELOPMENT BANK EXPENDITURES FOR ADVERTISING AND PROMOTION

Question No. 2,298—**Mr. Wise:**

1. For each year 1972, 1973 and 1974, how much money was spent on advertising and promotion in (a) Canada (b) Ontario by the Canadian Industrial Development Bank?

2. For the same years, how many persons were employed by CIDB in (a) Canada (b) Ontario?

Hon. John N. Turner (Minister of Finance): It has not been the practice to answer detailed questions concerning the internal administration of the Industrial Development Bank inasmuch as the Industrial Development Bank Act places the responsibility for its management in the hands of its Board of Directors.

OLYMPIC GAMES—PROVISION RCMP PERSONNEL

Question No. 2,339—**Mr. Schumacher:**

Are any plans being made, or have they been made, to provide additional RCMP (a) personnel to assist in any way with the Olympic Games in Montreal in 1976 and, if so (i) how many persons will assist (ii) what are the ranks of each group (iii) what type of services will be performed (iv) what costs are involved (b) equipment and, if so (i) what equipment (ii) what is the purpose of the provision (iii) what costs are involved in each case?

Hon. Warren Allmand (Solicitor General): (a) Yes. (i) Approximately 300. (ii) The rank structure is not yet determined. (iii) Primarily to provide physical protection to visiting dignitaries. (iv) Costs involved will include wages, transportation, lodging and meals. (b) Yes. (i) The capital purchases will primarily involve communications equipment. (ii) The specific purpose is an integral part of the security measures and disclosure at this time would not be in the public interest. (iii) The specific cost is an integral part of the security measures and disclosure at this time would not be in the public interest.

LOANS TO FOREIGN COUNTRIES

Question No. 2,422—**Mr. Gauthier (Roverval):**

During the years 1970, 1971, 1972, 1973 and 1974, did the Department of Finance make loans to foreign countries and, if so (a) how many (b) at what rate of interest (c) to what countries (d) what amount was loaned to each country (e) for how many years (f) for what reasons?

[Mr. Marchand (Langelier).]

Hon. John N. Turner (Minister of Finance): The Department of Finance made no loans to foreign countries in the years 1970, 1971, 1973 and 1974.

* * *

QUESTIONS PASSED AS ORDERS TO RETURNS

LIP—ALLOCATION OF FUNDS FOR PROJECTS IN WESTMOUNT CONSTITUENCY, 1972-73

Question No. 58—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $2,646,315 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Westmount, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

SUPPLY AND SERVICES—CONTRACTS

Question No. 2,009—**Mr. Reynolds:**

1. How many classifications are there for the various contracts made possible by the Department of Supply and Services?

2. What are such classes?

3. Is it the practice of the Department to have its purchasing agents orientated to a particular class of product buying and, if so, for what reason?

Return tabled.

Mr. Speaker: Order, please. In accordance with Standing Order 54, I do now leave the chair in order that the House may go into committee of the whole.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58

The House resumed, from Monday, May 12, consideration in committee of the whole of certain items of the estimates for the year ending March 31, 1976, pursuant to the provisions of Standing Orders 58 and 59—Mrs. Morin in the chair.

DEPARTMENT OF TRANSPORT

Vote 1—Headquarters—Operating expenditures including reimbursement of the Ministry of Transport revolving fund in the amount of $200,000 for the value of stores which have become obsolete, unserviceable, lost or destroyed and authority to spend revenue received during the year, $18,467,000.

Mr. Nowlan: Madam Chairman, the minister had an interesting day yesterday as we started this experiment of marrying the old rules with the new. The minister, depart-

mental officials and members of the House were all trying to find out how parliamentarians can best scrutinize the expenditures of any department, not only the Department of Transport which the minister himself has said is a mess. This is a real problem for any ordinary member, but I know the minister is enjoying the experience.

The minister and I came to the House at the same time. He has always been on the government side, however, and has never had to worry about the scrutiny or accountability of estimates. While he is in many ways a great parliamentarian, perhaps he does not appreciate the frustrations of a member of the opposition with this kind of procedure. It was even worse when we were in committee for days at a time under the old rules and a minister and his officials had to remain until their estimates were passed.

When I came here in 1965, the total estimates of the federal government were $7.2 billion. When the rules changed in 1968 and the committee of supply disappeared to be replaced by the rather sterile procedure of opposition days and days for considering supply in the House, coincidentally perhaps, government spending seemed to run faster than Niagara Falls in the middle of spring: from $7.2 billion in 1965, spending increased to $28.2 billion in 1974. The increase in this year's budget over last year's is slightly more than $6 billion—almost the total amount of government spending in 1965, the year the minister and I first came to this House. I know this is not the minister's responsibility and that he is only responsible for the Department of Transport.

I hope that this experiment of having meaningful discussion with the minister on the floor of the House, in committee of the whole, will work out well. It could do away with the frustrations of members of the opposition who try to get answers to questions about the almost runaway government spending. I am glad we are trying this experiment; it should be an improvement over the old system where a minister sometimes had to stay in the House for a month before an item was passed because members of the opposition were perhaps given to rhetoric. I think this method is a compromise.

Madam Chairperson, Madam Chairlady—whatever you are—you are most courteous, and the most gracious ornament the chair has had. I say that because it is such a beautiful summer's day outside.

There are two points I want to make. I want to ask some pertinent questions about the Department of Transport and the dredging problems in this country. The second question is national in scope and has real interest for Atlantic Canada. I ask, what has happened to Atlantic transportation policy? In the words of the minister's predecessor, the Atlantic adjustment and freight assistance legislation was to be the first plank in an over-all, comprehensive Atlantic transportation policy. We heard those words when we last considered a legislative enactment dealing specifically with Atlantic transportation problems.

● (1510)

I wish to ask the minister two questions which involve the Department of Transport and dredging contracts in Canada. One has to tread a careful line here and not trespass on territory involved in court proceedings. There are certain areas which can be touched on; for instance, the problems of lack of supervision and control in dredging procedures, accounting procedures, and so on. These can be touched on without infringing upon matters under consideration by the courts.

My first question concerns discrepancies in dredging contracts. The reports of Auditors General for 12 years have referred to such discrepancies. I appreciate that Treasury Board, in a sense, has primary responsibility, and I know that many of these contracts are authorized by the Department of Transport and carried out by the Department of Public Works. The Department of Transport initiates requests for dredging. As I say, these matters were first raised in Auditors General reports.

My question is this: Has anybody's position in the department been changed; has anyone been fired or reprimanded because of problems to do with dredging contracts, overruns in contracts or lack of supervision? In other words, has anyone been held accountable, as it has been well documented in Auditors General reports for 12 years that there have been discrepancies and overruns in dredging contracts? Has internal disciplinary action been taken by the minister against anyone in the Department of Transport, or anyone in the Department of Public Work? Has anybody besides the minister taken responsibility for the improper supervision, or lack of supervision with regard to dredging contracts involving thousands, and sometimes millions of dollars of the Canadian taxpayer's money? That is the first question.

My second question is this: Have different procedures been implemented within the Department of Transport in the awarding of dredging contracts or their supervision? Again, I realize that the Department of Public Works is involved in this matter and many dredging contracts are initiated by the Department of Transport and carried out by the Department of Public Works; sometimes contracts are given to a subcontractor. Nevertheless, someone has jurisdiction or authority; that is obvious. Is anyone within the bureaucracy of the department to be held accountable? I do not want the minister to name anybody, but is there someone at whose feet this matter can be laid? Was anyone sloppy in administering dredging contracts? That is the gist of what I am driving at.

Therefore, my second question really is this: After this matter was brought to the government's attention through Auditors General reports, were changes made in procedure? Were dredging contracts awarded differently? Was there any change in the relationship between the Department of Transport and the Department of Public Works with respect to the implementation of dredging contracts?

According to the doctrine of ministerial responsibility, the minister has over-all responsibility. Certainly, he shares that responsibility with others; that is the theory under which we operate. Obviously, the minister must take over-all responsibility. Can he say, without naming names, if anyone has been subjected to internal disciplinary action? Have changes in personnel been made, or have changes in procedure been adopted since this matter was first brought to the attention of the minister and his predecessors? As Auditors General have drawn attention to this matter for 12 years, I would be amazed to learn that efforts have not been made somewhere along the line to

change procedures in an attempt to overcome discrepancies. I suggest that in the awarding of dredging contracts there has been at least sloppiness and, at most, negligence. I am staying away completely from any suggestion of criminality.

Let me give specific examples. Although they are not covered by these estimates, they show what can happen. One incident took place in 1963 concerning a development to do with the St. Maurice River. In that case, the Department of Transport asked the Department of Public Works to do some dredging work in the St. Maurice River in connection with the development of a municipal park and marina by the city of Trois-Rivières. The Public Works Department stated that it would be prepared to recommend only the sharing of the cost of dredging the access channel, which would mean a financial outlay of about $9,000, but that it could accept no financial responsibility for the mooring basin and the berthing area associated with the municipal park. The department suggested that the city should negotiate a contract for the dredging and that the payment by the department would be in the form of a contribution to the city. In other words, the Department of Public Works said, "We can only do so much."

It had been a long-term policy of the Department of Public Works to limit its participation in the cost of dredging access channels from private areas to main channels to sharing the cost equally with those desiring such access, and not to accept any financial responsibility for dredging slips or berth areas considered to be of a private nature. That, at any rate, is what the department said to the city of Trois-Rivières. But in January, 1963, Treasury Board gave the Department of Public Works $45,000 to cover the full cost of dredging not only the access channel but the berth and mooring areas.

I appreciate that the contract involved the Department of Public Works and Treasury Board, but I want to know whether the Department of Transport was involved in any way with the contract concerning the St. Maurice River at Trois-Rivières. Originally, the department agreed on a contract costing $9,000, but in January, 1963, Treasury Board gave the Department of Public Works $45,000 to cover the full cost of dredging of the marina and berth areas.

I suggest that Treasury Board should never have given the Department of Public Works this money. That action was at variance with established policy. As well, it was open to question because there is a long-standing policy which says that financial assistance may be given to outside organizations only from parliamentary appropriations specifically provided or intended for such assistance. This was a payment which had never been approved by parliament. It was for dredging which was, obviously, of a private nature and which would enhance, in effect, a private operation.

In 1966, further interesting examples of dredging irregularities arose. These involved more directly the Department of Transport. A number of test borings for dredging work were made which proved to be inadequate. In at least four Auditors General reports, dredging or construction costs exceeded estimates because test borings produced results that did not accurately reflect the nature of the terrain to be dredged or excavated. Of course, Treasury Board has the over-all supervision of the expenditure of money; it has the final responsibility. I must say I tried to bring this matter forward at the time Treasury Board estimates were on the floor of the House last Friday. However, because of a procedural hassle and other problems at that time, it was not possible to ask these questions.

[Mr. Nowlan.]

● (1520)

The Assistant Deputy Chairman: Order, please. I am sorry to interrupt the hon. member, but the time allotted to him has expired. The hon. member for Yorkton-Melville.

Mr. Nystrom: Does the minister want to reply before I ask some questions?

[*Translation*]

The Assistant Deputy Chairman: I am sorry but I must inform the hon. minister that the hon. member chose to speak for 15 minutes; his time has therefore expired. Perhaps the minister could take note of the questions and answer them this evening.

The hon. member for Yorkton-Melville.

[*English*]

Mr. Nystrom: Madam Chairman, I want to direct a few questions to the Minister of Transport. The part of the country I come from has for a long time benefited from the Crowsnest pass agreement of many, many years ago with regard to shipping grain. Recently there has been a bit of controversy in the prairies because of a series of telegrams sent to the Premier of Saskatchewan by the minister in charge of the Wheat Board. Many statements have been made by the minister and other Liberal politicians in western Canada, including the Prime Minister, and a lot of farmers are worried that the present government will change the Crowsnest pass agreement which provides lower shipping costs for grain shipped by prairie farmers.

I want to ask the minister his position with regard to the Crowsnest pass agreement. What concerns me is that the Minister of Justice seems to be getting too involved in the responsibilities of the Minister of Transport. The Minister of Transport should be the one to decide whether there is to be a change in the agreement. What is the minister's position with regard to the Crowsnest pass agreement? Will he answer yes or no as to whether there will be a change in that agreement between now and the next election which will probably be some time in 1978?

Mr. Marchand (Langelier): Madam Chairman, I have stated in the House, and in the west, my position as far as the Crowsnest rates are concerned. The Crowsnest pass agreement, the Maritime Freight Rates Act, the Atlantic Region Freight Assistance Act and many other special measures exist to help one region or one product. This is part of the policy on which we are working. There is no doubt that the Crowsnest pass rate should be part of our national policy. However, in what form will it be? My only interest is the advantage it will give to the western farmers. I do not think they should have any worse deal under any future policy.

The Maritime Freight Rates Act was modified last year; in fact, it was improved: we increased the 30 per cent subsidy to 50 per cent for exports from the Atlantic provinces. I do not think anyone in the department or in the government thinks we should get rid of the Maritime Freight Rates Act. That does not mean that in the future, in co-operation with the Atlantic provinces, we will not find a better formula for helping industrialization or the export trade in that very important region of Canada.

I would like this to be clear. This is an advantage to the western farmers. If ever the policy is changed, the advantage should be no less than it is now. Whether this will be forever, I cannot say. I cannot say that no statute of Canada or even the constitution of Canada will never be changed. How could I say that? However, I can say that it is our intention to keep the advantages which the farmers in the west now receive.

Mr. Hogan: Madam Chairman, I rise on a point of order. I ask the minister to correct himself. I think this needs correction. He said the Maritime Freight Rates Act—

The Assistant Deputy Chairman: Order, please. The hon. member for Yorkton-Melville has the floor for the purpose of asking questions.

Mr. Nystrom: With respect, the minister is not very clear. He talked about the benefits of the Crowsnest agreement and the possibility of giving those benefits to the farmers in a different form. The minister in charge of the Wheat Board said the same thing in the House yesterday: he said he would like to see the benefits preserved but perhaps in a different way. The farmers are worried about what might be that different form. Can the minister give an absolute guarantee that the government will not tamper with the Crowsnest agreement between now and the next federal election? This is what the farmers in the prairie provinces are asking me.

I would like the minister to be a little more clear. Will he, or will he not, tamper with the Crowsnest agreement? He talks about a different form. To what kind of form is he referring? What kind of benefits is he talking about? I want to know definitely.

Mr. Marchand (Langelier): Madam Chairman, even if it seems the hon. member did not understand what I said, I know that he did understand. He wants me to say that Crowsnest is there and will remain there, without any change, forever.

Mr. Nystrom: Until 1978. At least until that time.

Mr. Marchand (Langelier): Chances are we would not have time to change it before then. If there is a change before 1978, which I doubt very much, it will keep the advantages and benefits the farmers now have. I sometimes go to the west. It is unfortunate the hon. member does not go more often. The farmers understand what I am saying. They do not care about the name; what they want is a guarantee that they will not have to pay more for the movement of grain. We want to keep this is in the same way as we have the Maritime Freight Rates Act. I expect a question later about that, and I am ready to answer it.

An hon. Member: He's waffling.

Mr. Nystrom: My hon. friend says the minister is waffling. I heard the minister say—this is what I am nervous about—that if there is any change, the farmers will still have the same benefits. Having him think that is not good enough. Can he guarantee there will be no change whatsoever which will be detrimental to the farmers, between now and the next election?

● (1530)

Mr. Marchand (Langelier): The only thing I can say, as Minister of Transport, as one who presided over the new policy which is going to be known, I hope, in a short while—

Mr. Stanfield: As the Marchand policy?

Mr. Marchand (Langelier): —is that at no moment did we discuss in our working group that the Crowsnest pass rates should be changed. We are going to work on freight rates; we are going to work in co-operation with the Atlantic provinces, but nobody is going to make me make a statement—and I hope this is clear—that something which is in the statutes of Canada is not going to be changed. I am not going to make any definite statement, because I do not have this power and any minister who contended that he did have this power should not, I think, be in a democracy but should be somewhere else.

We are ready to protect the farmers and give them the advantages that they have; either to keep them under the present formula or under any other formula to which everybody, or the majority, would agree. I really do not mind, and I am sure the farmers don't mind; only those who are ready to exploit politically the symbol of Crowsnest pass rates discuss this question.

Mr. Nystrom: Yesterday in the House, Madam Chairman, as reported at page 5676 of *Hansard*, in response to a question by the right hon. member for Prince Albert, the Minister of Justice in charge of the Wheat Board said:

I indicated that in my view the test whether such a change could be made was really dependent upon the will of the farmers themselves.

I would like to ask the Minister of Transport what mechanism will be established to determine the will of the farmers. Will it be the minister in charge of the Wheat Board who makes that decision? It really worries me, if that is the case. I would like to remind the Minister of Transport that it was not our party or any other opposition party in the House which first started the question about what the government was doing about the Crowsnest pass agreement. It was the minister in charge of the Wheat Board, in his speech in Edmonton, who first said there might be some changes made to it. Now he says that any changes would depend upon the will of the farmers. How do we interpret that will? Is the minister thinking of a plebiscite? Is the minister in charge of the Wheat Board going to interpret their will? I ask this question because his interpretation of their will is often different from mine, or different from that of the farm organizations. After all, you are the Minister of Transport, not him.

I am very tired of the minister in charge of the Wheat Board meddling with the Minister of Agriculture, meddling with the Minister of Transport, meddling with several other ministers. Is he a czar? Is he the king of the

government? What does he mean? I want to know from you what he means when he says he will interpret the will of the farmers.

Mr. Marchand (Langelier): Madam Chairman, I think that on the principle involved here nobody can contest that it is very important to know the will of the farmers. I do not think you oppose the will of the farmers, as I am sure the hon. member will agree. What the hon. member is asking is, how you would define, or how you would get to know the will of the farmers. I suggest he asks the Minister of Justice exactly what he means and what method he proposes to use.

Mr. Nystrom: Is not the minister we are questioning today the Minister of Transport? Surely to goodness this falls under your purview as it is a freight rate question. If he is going to decide to meddle with your department, why in the devil don't you slap his hand? You should be making that decision, not the Minister of Justice; right?

Mr. Marchand (Langelier): Such a decision, a very important one, will be made by the cabinet after a recommendation of one minister whose name, now, is the Minister of Transport; and nobody else.

Mr. Nystrom: I have it very clearly, then, that it is the Minister of Transport who will make the recommendations regarding the Crowsnest rate, regarding transportation matters, not the Minister of Justice. It will be you.

The Assistant Deputy Chairman: Order. I should like to remind the hon. gentleman that he is supposed to address the Chair.

Mr. Stanfield: I should like to go back to the subject of dredging and ask the minister a question or two. I was amazed when the alleged bid-rigging—I say "alleged" because nothing has been proven—came to light and charges were laid as to how it could have happened, how the government could find itself in a position where something was alleged to have been going on for such a long time and on such a scale. I think the answer came when the Minister of Public Works disclosed the guidelines which have intended to protect the public in the future.

Apparently there are dredging contracts let by the Department of Public Works, by the Department of Transport, by the National Harbours Board and by the St. Lawrence Seaway Authority. As a result of this, as the government now recognizes by having set up the safeguarding committee, there is not sufficient expertise, apparatus or machinery available in Public Works, Transport or anywhere else to protect the public. As a result of the lack of adequate machinery in the Department of Transport, for example, there was no way in which the public could be protected. The people in the department had no suspicion that in fact the bids were so far above what they should be that bid-rigging was quite possible.

I would like to know how the Minister of Transport can attempt to justify this fragmentation of authority in the field of dredging. Some of it is done in Transport, some in Public Works, some here and some there. How can the minister justify this situation having continued, I do not know for how long? When he became minister in 1973, for example, he had reason to be suspicious about some things in Hamilton. Shortly thereafter he had reason to become suspicious about the St. Lawrence River dredging. Yet the system continued. Nobody in the government, nobody in his department, seemed to make any move in order to improve the administrative machinery or to create some unit in the government which would know enough about dredging to ensure that the bids were appropriate, and thus protect the public.

Despite the belated move the government has made to set up an improvised cabinet committee, I charge that the public of Canada has paid very dearly for the fragmentation of authority in the area of dredging. The lack of expertise in the Department of Transport meant that apparently no accurate judgment could be made as to whether bids in connection with dredging were appropriate or not, or whether contracts for the salvage of a ship were in line or not. The government apparently had no idea that there was something seriously wrong with regard to the bidding or with regard to dredging generally.

I suggest this could not have happened at all if the departments concerned had been able to assess properly, or even estimate properly, what the appropriate bids should have been in connection with these contracts. Yet the system went on year after year despite warnings by the Auditor General that contracts were running over. I make the charge that the government did not take the trouble to protect the public by setting up the necessary machinery, and as far as I can understand it failed to provide adequate measures to protect the public after contracts had been let.

● (1540)

Mr. Marchand (Langelier): Madam Chairman, perhaps I can be as blunt as the Leader of the Opposition. Not only this government, but all governments prior to this one have been following exactly the same regulations and laws. We ask for bids and we choose the lowest, unless the lowest bidder is not in a position to do the work. If he does not have the machinery required or the ability to do the work, then I think any government would tell him that he is not going to get the job. That has been the practice.

The hon. member for Annapolis Valley referred a few minutes ago to some contracts that were given in 1963. That is when Hon. Leon Balcer was minister of transport, so he should check into that. I do not know why he did not verify that beforehand.

I would be as prudent as the Leader of the Opposition. If the charges are founded, then it means there has been collusion to cheat the government. That is not the first time it has happened; it happens everywhere in the world. There is no way you can protect yourself against four, five or six firms who agree to get together and establish a floor. This was revealed in Hamilton by a commission over which I have no jurisdiction at all. The contract there was awarded by the harbour commission of Hamilton, not by the Department of Transport, and I think the hon. gentleman should ask why this commission did not make a better check than it did. As far as the other cases are concerned, hon. members will have to wait until the trial is over to see whether there has been any collusion. That is all I can say.

The other day I received quite a high bid for a project in a city in the west, and there was only the one bid. I spent at least 15 days consulting all kinds of people in Justice, and so forth, and I asked them what I should do. They told me that in that particular city there was nobody else who could do the job. We assess what the job is worth, and they told me that the job was worth it and that that is what we should do; otherwise we would have to go to Vancouver, Montreal or Toronto.

I agree with the Leader of the Opposition that this means there are some weaknesses and holes in the system. However, we now have some new rules under which all bids are submitted to Justice to see whether they can see something we have not seen. We are trying to be more strict. If there is a big difference between what we assess and the bid of the lowest bidder, then in such case perhaps we should scrap the whole thing and start all over again or tell the firm in question that we suspect there is something wrong.

Perhaps this sort of rigging has happened in the past; I do not know. The inquiry may reveal that the same situation has existed in many other cases. Perhaps it took place under the right hon. member for Prince Albert. I have no way of knowing; but he was applying exactly the same regulations.

Mr. Stanfield: Madam Chairman, I do not know whether it happened under Sir Robert Borden or under Sir John A. Macdonald, but we are talking about the present administration. I cannot make a charge that there was collusion, but I am assuming that charges have been laid by the government. I make the assertion that if there was collusion in bid-rigging in connection with dredging contracts with the Department of Transport, then it was because the Department of Transport was a sitting duck for such bid-rigging and collusion: it did not have the expertise and apparatus to know whether or not it was being taken to the cleaners.

I ask the minister, through you, Madam Chairman, why this was allowed to continue for a year or so after the minister became suspicious. It was not until the whole thing was out in the open that the Minister of Public Works announced in this House the appointment of a committee, which itself is probably quite inadequate.

The minister says that something happened in Hamilton. I am not blaming him for that. The whole organization behind dredging operations for harbour commissions and so on may very well need looking into. But I am asking him this. Apart from talking about what may have happened 20 or 40 years ago, is there any way he can explain to this committee and to the people of Canada why he, as minister, and why his predecessor and the government as a whole, allowed to continue an obviously inadequate system of administering dredging contracts, one which apparently permitted the Government of Canada and the people of Canada to be taken to the cleaners for years?

Mr. Marchand (Langelier): Madam Chairman, I must correct something which has been said by the Leader of the Opposition. I do not know whether he was including me when he said we knew something was wrong in the awarding of dredging contracts a year ago. If so, I tell him that that is not true. The first time I heard about that was at the beginning of March. Immediately I took action, as I did in the case of Air Canada. But one year ago I was not aware of anything of this kind. If he contends that the Minister of Public Works knew, I would be happy to be here when he puts the question to the minister, because I do not think he is the type of man to let that kind of thing go on.

Mr. Stanfield: Madam Chairman, I am not going to get sidetracked by charges of who did what, or who did not know what.

Mr. Marchand (Langelier): You are the one who brought that up.

Mr. Stanfield: I am saying that the system in the Department of Transport—and I dare say the same applies to the system in Public Works—was very inadequate to protect the public, and that there was no justification for allowing it to continue through the years, particularly in view of the reports of the Auditor General. As I say, I do not intend to be sidetracked by statements about who did what, or about what the minister found out subsequently.

Mr. Marchand (Langelier): Madam Chairman, the system which existed in Transport is the same system that existed everywhere in the government and in all governments I know of in Canada. It is the system of asking for tenders and bids. I do not know what the future has in store for those who might be involved, but up until now no civil servant has been involved, accused, charged or even suspected of wrongdoing. When four or five firms control a whole industry, they do not need any civil servants; they just decide themselves what they are going to do.

Mr. Forrestall: That damns you all the more for not keeping abreast of it.

Mr. Marchand (Langelier): Then in one case it became apparent, the police found out and we acted as quickly as we could. There may be other situations and perhaps hon. members opposite will be able to give us some help. There are certain industries where it is almost impossible to find a second bidder. For example, if you want some transistors, outside of IBM of Canada where would you go? Where would the competition come from? Even if you went to the United States, perhaps you would have to go to IBM even there. Certain industries are monopolized, so we have to be very careful. As I say, we have followed the rules. No civil servants have been charged or suspected of wrongdoing.

● (1550)

I do not see why the Leader of the Opposition would make that kind of attack. Perhaps he is suggesting that the prevailing system in Canada is not foolproof and we should see how we can improve it. That is right, and that is what we are trying to do.

Mr. Stanfield: I have just one more sentence, Madam Chairman. The system is inadequate and the government has finally recognized this in setting up a makeshift kind of citizens' protective committee. The system is inadequate to anyone who has made an examination, if only

because of the fact the Department of Public Works was responsible for part of it, the Minister of Transport for another part of it, and somebody else for another part of it. We were just taken to the cleaners.

[*Translation*]

The Assistant Deputy Chairman: Order. The time allotted to the hon. Leader of the Opposition has now expired.

[*English*]

Before recognizing the hon. member for Davenport, I should like to point out that the time of the hon. member for Yorkton-Melville was cut short by one minute, so perhaps I might recognize that hon. member for one question.

Mr. Nystrom: If I have one minute, I will take 20 seconds and the minister can take 40 seconds. If there are any changes whatsoever which will limit the benefits of the Crowsnest pass rates, will those changes take place before Mr. Justice Hall has had time to report on western transportation problems, with recommendations to the government; or will they, if there are any, come after Mr. Justice Hall's report?

Mr. Marchand (Langelier): If you want my opinion, and you will understand that is all I can give, it is no.

Mr. Caccia: Madam Chairman, there are three brief questions I should like to direct to the minister. The first relates to whether the Minister of Transport is playing an active role in relation to urban growth by providing Canadians who are prepared to live in smaller centres in the neighbourhood of metropolitan regions with adequate commuter services that would permit them to work in large metropolises.

It is quite clear that we have now reached the stage where certain cities are becoming very large, and there are certain towns and small cities in Canada where Canadians might buy homes and settle at a lower cost while still working at their jobs in the large industrial centres. There is a growing body of Canadians who feel that the urban growth of our metropolitan areas can be slowed down if we adopt a transportation policy which will encourage the growth of smaller centres. Is the minister actively involved with the Minister of State for Urban Affairs in developing a policy of that kind?

My second question stems from an observation I have made over the years of bus terminals, railway stations and airports. On the face of it, one wonders whether the allocation of taxpayers' money for travelling Canadians is proportionately divided between those travelling by ground transportation as opposed to those travelling by air. In other words, putting it in reverse, one gets the impression that we are investing a substantial amount of taxpayers' funds for that portion of the public travelling by air which is much smaller than that provided for those who travel by train or bus.

One gets the impression that we pay much greater attention to and place more emphasis and financial support on air travel for those who use that service than we do in respect of bus or train transportation. I would be very grateful if the minister could indicate whether this is a superficial appearance, or whether in fact there is something in what I have suggested.

My final question relates to a local matter. In Toronto we have a large project called the Metro Centre which has been in the hands of a corporation called Metro Centre Development. This involves large tracts of lands which are publicly owned, including land owned by Canadian National and Canadian Pacific. I understand that the current agreement on Metro Centre expires in November of this year. If a new contract is to be arrived at following the expiration of the existing one, it would be helpful to know whether the Ministry of Transport and Canadian National will insist that the publicly-owned land remain under public control and managed, in terms of planning and utilization, by the local municipality rather than by the private developer who is developing the specific tracts of land. Those are my questions.

Mr. Marchand (Langelier): Madam Chairman, I was not involved in this discussion until January 20, if my memory serves me well, when Premier Davis invited me to Toronto to discuss this matter with him, his officials and some of the senior officers of the Ministry of Transport. Since then we have been looking into this matter and a report will probably be produced within a few weeks, at which time we will know exactly what is to happen concerning the ownership of this land. I have my own opinion on this, and when I get that report I will see how my opinion compares with the opinion expressed in it. That is the situation at the present time. We are awaiting the report of this study, and it is only when we receive it that we will indicate exactly what we are going to do.

Mr. Jelinek: Madam Chairman, I will be very brief and I will stay with one aspect of transportation, that is, the proposed Pickering airport in the Toronto area. I only have two or three brief questions, but before I ask them I should like to summarize the background of several contradictions I believe exist in statements by the Minister of Transport and the Prime Minister regarding this proposed airport.

It is a publicly known fact that several surveys have been conducted in the metropolitan area. The Elliott Research Corporation carried out one survey, the Toronto *Star* carried out another, and a poll survey was conducted by the Canadian Facts Company Limited. Within the metropolitan area, 61.4 per cent of those who had an opinion were opposed to the airport decision. Even in the Malton impact area, which the government argues will benefit from reduced noise as a result of the second airport, the majority of those who had an opinion were against the airport.

The Ministry of Transport's traffic forecasts do not reflect the current economic and fuel picture and the recent decline in international air travel. Furthermore, the government has made absolutely no effort to spread peak hour load which is the real measure of airport capacity at the Malton airport today. The Gibson commission, for example, concluded that provision of terminal capacity at Malton would not be a problem until 1985, even assuming the inflated Ministry of Transport's passenger forecasts which will not be realized for many years after 1985. So that is an inflated figure.

● (1600)

Further terminal needs, should they become evident over the next decade, could be met either by more efficient use of lands within the present airport boundary, such as by achieving the same ratio of passenger handling capacity to required land area as the present Terminal 1, or by annexing a moderate amount of vacant industrial land. There is definitely no spreading of noise involved in the placing of extra terminals at the present Malton airport.

Runway capacity at Malton is no problem except during the peak hour when strong north-south winds limit use to one runway, 14-32. Opening one runway at Pickering in the east-west direction does not solve the runway capacity problem. When additional runway capacity is required at Malton, a fourth independent runway in the north-south direction within Malton's existing boundaries could be added. The minister's department admits that at a separation of 4,400 feet, no more people will be affected than with the three-runway situation. The airport inquiry commission agrees that with the addition of such a runway, Malton can handle Ministry of Transport forecasts to beyond 1990.

It can be assumed, also, that due to technological advances noise will continue to decrease as long as realistic assumptions are made about the phasing out of DC-8 type aircraft and some control over night flights, particularly of noisy aircraft, is exerted even if no new noise technology is introduced. This has far more effect on noise than the government's plan in respect of Pickering. In addition, if the government pursues its own proposal to have aircraft meet standards similar to FAR 36 at Malton by 1980, the noise reduction will be even more dramatic. Once all aircraft meet FAR 36 standards, the additional beneficial effect of opening a second airport is very small.

The minister gave the following answer to a question I asked in the House on February 21 regarding the airport. He stated, as reported at 3436 of *Hansard:*

> If the hon. gentleman can bring some kind of evidence to show that the majority of the population is against the airport, I am ready to revise the whole thing.

This evidence has been presented very emphatically through the media and through different polls. I expect my first question is obvious. Why is the minister not sticking to the statement he made in this House, along with the statement of the Prime Minister, to the effect that if there were even 51 per cent of the people around the Pickering area against the airport, the government would reconsider the matter and look into the different options? Surely an airport as expensive as this—it is expensive and I will be asking a couple of questions about the expense—is not needed at this time; the money could be handed over for the purpose of helping the housing situation which is drastic in the Toronto area. I believe the number of housing starts in that area has been reduced in the past year by 60 per cent.

The first question I would ask is whether the minister is taking a different position now from the one he took in the statement he made in the House, and outside the House, and one the Prime Minister took in his statements.

Mr. Marchand (Langelier): Mr. Chairman, the answer is very simple. I have no idea how the inquiry was conducted, who was consulted or what was the form of the inquiry. One thing we did in respect of Pickering which we did not do in respect of any other airport, and certainly not in respect of Mirabel, was that before we chose the site of Pickering we had many consultations, including consultations with the government of Ontario, and everybody thought it was the best place. When I say "everybody," I do not refer to the people around Pickering but I refer to the government of Ontario and those who are involved in the building of the airport.

So it is one thing if the population of Ontario or of greater Toronto does not want this airport, but no Gallup poll or anything of that kind was conducted which would suggest this. I did not need to conduct an inquiry: our information was very instructive. The results the hon. member produces in the House may have some bearing, but we had the Gibson inquiry and its report. In that report, the arguments were made by a person who was in no way tied to the government and who, with two colleagues, gave an opinion and answers to questions which to my mind are much better than the opinions cited by the hon. gentleman.

Mr. Jelinek: Mr. Chairman, of course, much of the opinion stated in the Gibson inquiry report has changed since the inquiry took place. So far as the polls are concerned, surely the Toronto *Star* poll conducted by the Canadian Facts Company Limited would not be considered a one-sided opinion. This is a very important matter and a costly affair which I am sure will not help the majority of the people of Toronto, because they are still looking for better housing rather than a second airport. In view of this, would the minister be willing to have the government conduct its own poll concerning the situation in the Toronto area, to determine whether the people there are for, or against, that airport? I know the minister wishes to abide by the wishes of the people of that city and of Canada, so perhaps he will take it upon himself to conduct a poll of his own.

Mr. Marchand (Langelier): Mr. Chairman, I think we have done all that can normally be done in the circumstances. We even had a special inquiry. Witnesses have been heard, briefs have been presented and there has even been cross-examination of witnesses. The same conclusion was reached as that of the ministry. So far as I am concerned, the decision has been made. If another government, another minister, or someone else should change his mind, that is all right; but so far as I am concerned, this is a closed case and I will not go back on it.

Mr. Jelinek: So it can be taken that the minister either unintentionally misled the House when he made the statement or has changed his mind. The possibility exists, if sufficient pressure is put on him by the majority of the people, that he might change his mind again so far as the airport is concerned.

I should like to ask a question about the cost of the airport. Early in the year 1974, the minister stated that the Pickering airport, including construction and land, would cost $204 million. In an answer to a written question I placed on the order paper, which I received on April 7, the department stated that the authorized cost for the construction of the international airport and related facilities

in land approved by the government on February 20, 1975, is slightly in excess of $200 million. This relates to the figure of $204 million; but there is an addendum which says that no airport construction is included in this figure. The figure previous to this, of $204 million, included the construction.

● (1610)

As well, on February 20 the minister said that a runway and appropriate passenger terminal and related facilities would be built. Given the existing examples of passenger terminals at Malton and Edmonton international airports, where passengers are forced to trek considerable distances, would the minister offer his definition of an appropriate passenger terminal and the separate cost involved for the construction of the terminal facilities to begin this year, or whenever that may be? What will be the additional cost?

Mr. Marchand (Langelier): Unfortunately, I am not an architect. I cannot say exactly what kind of terminal will be built there. I presume that we will receive some designs and suggestions from technicians of all kinds, including engineers, and so forth. Then we will make up our minds. But if I am asked exactly what I mean by an appropriate terminal, I presume it would be a terminal which would receive passengers who land in Pickering. We would try to avoid what happened in Terminal 2 and have something which is convenient for the people who are going to use it. When we have the design, if the hon. member wishes I will be happy to receive him in my office. My office is not far away, and I will show the design to him.

Mr. Jelinek: Mr. Chairman, that is very kind of the minister. It is assumed that the proposed airport will be an international airport. The question, of course, is whether the minister or the government have received any assurances that international airlines will operate out of Pickering airport, seeing that the airport as it now stands in the plans will only have one runway. Several air carriers use international airports. These air carriers would be in the air at all times, and having one runway is like being half pregnant without wanting to be pregnant in the first place.

Mr. Marchand (Langelier): Mr. Chairman, we in Canada tell foreign airlines where they can land, and in turn we negotiate with France, for example, or Great Britain, as to which airport we are supposed to use. They told us where we could land; we did not tell them where we would land. We are not free to land just anywhere in Berlin or elsewhere. This is in the agreement, and I think this is what we will do with the airlines.

Mr. Jelinek: Mr. Chairman—

The Chairman: Order, please. I have to interrupt the hon. member because the time allotted to him has expired.

Mr. Jelinek: I have just a short, final question.

The Chairman: That can be done if the committee accepts it, and if it can be done in a few seconds I am ready to accept the question.

Some hon. Members: Agreed.

[Mr. Jelinek.]

Mr. Jelinek: It will just take a few seconds. I know that the minister has a great deal of interest in the development of STOL aircraft and STOL routes such as the route existing between Ottawa and Montreal. At least he had interest in this. Does this mean that with the additional airport at Pickering, the interest toward the development of STOL aircraft in Toronto—I am speaking specifically of the possibility of Toronto island as an airport for STOL aircraft—will be laid aside? Will this become secondary to Pickering?

Mr. Marchand (Langelier): This is an experiment we are doing with Twin-Otters between Ottawa and Montreal. To this date we are very satisfied with the success of this experiment. We do not have all the elements. Some airlines have already asked for permission to operate STOL systems between certain Canadian cities. We are not ready to allow that because our experiment is not completed. Nothing has been excluded. We have not excluded the island in Toronto, nor the island in Montreal; and if ever we decide to have a STOL program for those two cities, those might be the proper places to have them.

Mr. Douglas (Bruce-Grey): Mr. Chairman, I congratulate the previous speaker because his last question ties in exactly with what I want to discuss with the minister this afternoon. I would like to state that as far as I and, I think, many members of this House are concerned, the topic of transport is probably one of the most all-encompassing topics up for discussion at any time, because through the transport policies of governments of Canada this nation was brought together in the first place. It is through transport policy that it has kept together, and through transport policy in the future it will be determined how well this nation remains together as a corporate entity.

I want to direct my remarks to the minister, not on the primary level of air traffic—Air Canada or CP Air—but to take a look at the over-all scheme for regional air carriers and the use, as the previous member was discussing, of the hub and spoke concept of STOL air service. In my opinion the success or failure of transport in the future will depend on the proper integration of all types of transport, whether it be by land, sea, air, rail or bus, and in particular the phasing in of a comprehensive and well run hub and spoke STOL air service; because I think the success of our national railways in years past has been primarily through use of feeder lines, the small lines which were brought in to bring people from outlying areas into the centres of communication which joined up with the transcontinental systems which ran from coast to coast. I believe the hub and spoke air concept will become the feeder lines of transportation in years to come.

As the minister knows, Canada, and in particular the De Havilland Aircraft Corporation, have been world leaders in the development of the STOL concept, first with the De Havilland DHC 6 Twin Otter and now with the recent unveiling of the DHC 7 and 7-R, the second generation of STOL aircraft. It is here in Canada that the augmenter-wing concept was designed, and while we are world leaders in the design and development of these aircraft and of the hub and spoke concept of transportation, our failure to use this concept of proper advantage where it would fit is something I find rather deplorable.

For the betterment of our own population I do not feel the very concept we have developed to such a high degree has been used as it should be. I would ask the minister to give this House, at some time, an indication of the progress made by his department in adopting this important concept of communications into a national transport picture and in putting it into implementation on a nationwide and regional scale.

I would like also to point out my concern, and the concern of the people I represent, about the continuing policy of our national railways of branch line abandonment both in the passenger field and the freight field. I would ask the minister to make every effort to encourage both Canadian National and Canadian Pacific to stop completely the withdrawal of what I consider to be an essential element of cohesion across this country. I speak with the knowledge which comes from representing an area where the withdrawal of rail service, particularly in the passenger field, has taken place and where the effects of that withdrawal are still suffered.

I would point out that had it not been for the work of at least one private company—I refer to Bruce Coach Lines of Kincardine, Ontario—in picking up the slack which developed in the transportation system which was available to the people of western Ontario and to my particular section of the country, we would indeed be in a very difficult position at this time. Since that time the bus service facilities have been upgraded and increased. As a result, the people have started to use it. The travelling time between Kincardine and Toronto is now 3½ hours by bus, but it still takes 5½ hours by rail.

● (1620)

I hope the minister will give us his views on this serious situation and indicate whether this practice by the railways can be reversed, if not stopped. As a private enterprise, Canadian Pacific Railway has to be concerned with the return on investment, but Canadian National Railways is a little different in that for the most part it is financed by public money. It therefore has a duty and responsibility to provide the transportation that the people so desperately need.

I should like to return to the question of STOL. It is interesting to note that transporting people and commodities economically and efficiently is one of the things that this country does best. One reason for this is that our geographical footprint dictates it. We have 3,852,000 square miles of land mass to cover; and for those of our friends who are interested in metric measurement, that is 10,015,000 square kilometres. This includes large metropolitan areas, mountain ranges, plains and inland waters, so it has been an absolute necessity that we develop this expertise. The fact is, however, that the expertise is more essential now than at any other time in our country's history.

I should like to turn, now, to the regional development of the STOL concept. If STOL is to work, I believe it will work best in a number of networks of well planned, regional services interconnecting through the national air carriers which will provide the type of service this nation requires. The type of system operating up and down the Norwegian coast to provide isolated hamlets with air service to the larger centres, and thence to Oslo, the capital, and other centres of population and industry is an example of what can be done. The effect has been to decentralize some of the large cities. This might be useful to us, with such large centres as Montreal, Toronto and Vancouver growing the way they are. We must get the people out of these centralized communities into places which need to build up their industry and population.

I should like to ask the minister what his department thinks can be done about the Toronto island airport. To my way of thinking, this airport is absolutely essential to provide the hub and spoke concept for southwestern and central Ontario. It is ideally situated and is currently licensed for STOL use on a VFR basis, but must be upgraded to a STOL IFR standard.

An hon. Member: Not with that big needle sticking up in the middle of the city.

Mr. Douglas (Bruce-Grey): That is outside the approach patterns that would be used for STOL aircraft. In closing, Mr. Chairman, I would like to put forward some statistics about STOL. First of all, it saves fuel. The DASH 7 will save up to $100,000 a year on 200-mile routes over the operation of the DC-9—about a 64 per cent saving in fuel.

We are all worried about the ecology and the emission of pollutants. The average car, on a 200-mile trip carrying 1.25 passengers—I will never figure out why they use 1.25 passengers; I can see one passenger, but not 1¼ passengers—would produce about 27 pounds of pollutant per passenger. The DC-9, on a 200-mile trip, would produce about 1.14 pounds; the bus, one pound per passenger and the train about nine-tenths of a pound. The DASH 7 would produce only six-tenths of a pound per passenger, on a 200-mile trip. That is something to think about, Mr. Chairman.

The DASH 7 also saves time, and today time is money. Let us take, as an example, a trip from the Parliament Buildings here to downtown Montreal, the Bonaventure Hotel. The total time for the trip by conventional air traffic, using a taxi from here to the airport and from the airport in Montreal, is two hours and three minutes. That is taxi time, terminal time and flying time. By STOL, using the Twin Otter plane, the total time is one hour and 22 minutes. I believe it is the answer to many of the transportation problems not only in Ontario but throughout the country. It could be used in other provinces, and to put it into operation would only cost about the same as it would to build two miles of four-lane highway in southwestern and central Ontario. Tied in with the proper rail and bus service, it would provide the people with a transportation system second to none.

If the minister has time, I would appreciate some answers to my questions, and if he has not I should like to hear from him by letter.

Mr. Marchand (Langelier): Mr. Chairman, I only have three minutes so I am going to answer rapidly. We are co-operating with the province of Ontario on the hub and spoke concept. As far as STOL is concerned, we have to complete our experiments. At the moment, we cannot use the DASH 7 because it is being tested and will not be ready for a few months or a year. The concept is of

interest, and that is why we have invested so much money in it.

Mr. Crouse: Mr. Chairman, I should like to put a few questions to the minister concerning the dredging contract at Île-d'Orléans. Initially, this contract was for dredging in the main ship channel of the St. Lawrence River below Quebec in the reach commonly known as the North Traverse, extending from St. Jean, Île-d'Orléans to Sault au Cochon, consisting of a quantity of approximately 14 million cubic yards. The contract was to be for a period of three years commencing the summer of 1971. The estimated cost of the contract was $20,860,000, with the basis of payment being $1.49 per cubic yard.

In response to public advertisements, three bids were received. One was from J. P. Porter Ltd., McNamara Co. Ltd. and Marine Industries Ltd., a joint venture, for $20,860,000. One was from Canadian Dredge and Dock Ltd. and T. C. Gorman Ltd., a combine of two, for $28,140,000. The third was from C. A. Pitts Engineering Construction Ltd., for $30,100,000. Authority for the Department of Transport to enter into a contract with the lowest bidder was given by Treasury Board minute 706359 dated August 30, 1971, and subsequently a formal contract was entered into with the successful bidder. Since the department's estimate is identical to the price quoted by the lowest bidder, would the minister confirm my research of this item and explain this coincidence to the committee? That is my first question.

● (1630)

My second question relates to the minister's comments concerning the Hamilton Harbour Commission, made just a few moments ago in response to questions raised by my leader. The Hamilton Harbour Commission and the Toronto Harbour Commission are corporate bodies which are audited by the municipal auditor of the municipality which has a major interest in the commission. The minister, under the Harbour Commissions Act, may authorize an inspection of the books and records of the harbour commissions, but the Department of Transport financial audit and review branch has never made any audits or reviews of these commissions. To the best of my knowledge, the government has never asked the Auditor General or any of his staff to examine the records of the harbour commissions.

Since the present audit system of the Auditor General is not designed to detect fraud and deliberate collusion, the onus in my view is on the minister and on the government to take the necessary action. Will the minister inform this committee why he never authorized an inspection of the books and records of the harbour commissions I have mentioned?

Mr. Marchand (Langelier): Mr. Chairman, I will need to verify the hon. member's assertion that we must verify the books of the harbour commissions. I always thought that the cities were supposed not only to supervise but to award contracts. I may be mistaken. I want to check. I should like the hon. gentleman to tell me what part of the act authorizes us to inspect those books in the city in which the commission is located. I think the city of Hamilton, which awarded this contract, is also supposed to supervise.

[Mr. Marchand (Langelier).]

Mr. Crouse: Mr. Chairman, it is my understanding that the minister, under the Harbour Commissions Act, RSC, chapter H-1, may authorize an inspection of the books and records of harbour commissions. He has that authority but has never exercised the authority which is in RSC, chapter H-1. Surely his departmental officials can verify that statement right now.

Secondly, I should like him to answer my first question concerning the coincidence whereby the consortium composed of J. P. Porter Ltd., McNamara Company Ltd. and Marine Industries Ltd. could come up with a figure of $20,860,000 for the dredging to which I referred, exactly the same figure as estimated by the department. I think the committee deserves some explanation of that.

Mr. Marchand (Langelier): Mr. Chairman, I think you must consider that this is part of the trial or the case which is before the courts now, and I think the committee will surely have an opportunity to learn when the judgment comes down.

An hon. Member: The judgment?

Mr. Marchand (Langelier): Oh, yes; a judgment will be handed down. Surely the hon. member is not asking me to give him an opinion when the matter is before the judge. The judge can hear witnesses, and he has not yet made up his mind.

Mr. Stanfield: Come, now! This is public information.

Mr. Crouse: Mr. Chairman, by leaning on the fact that this case is presently before the courts, the minister is not playing fair with the committee. It is true that the vouchers and departmental files have been seized by the RCMP and that a writ has been issued; it is true that these documents are presently being held and are under investigation by the RCMP. But the questions I raised surely come within the authority of the minister and the department. After all, the bids to which I referred, the public tenders which I mentioned, are public knowledge. Public tenders were called. The three companies, making up a consortium, bid $20,860,000 for this project, exactly, the amount estimated by the department. There must have been a coincidence as between the department's estimate and the figure bid by the lowest bidder, namely, the consortium made up of the Porter Company, the McNamara Company and Marine Industries.

I do not see how the minister can refuse to answer by suggesting the matter is before the courts. I am asking him to explain how this coincidence concerning the bids occurred. For example, did someone in the department tell Porter, McNamara and Marine Industries, "Our estimate is $20,860,000"? Did someone in the minister's department volunteer this information? Did these companies ask some official how low an estimate the department itself had made for this work? Because the next highest bid was $28,140,000 the third bid was $30,100,000. There may have been collusion; I do not say there was but there may have been. Certainly, someone was in the confidence of the minister's staff if there was a tender for this contract

which was identical to the figure estimated by the minister's officials. I suggest that such a coincidence is unique and can be explained without infringing on the matter now before the courts.

Mr. Marchand (Langelier): Mr. Chairman, I am in a difficult position. I am sure the hon. member was honest in his research. But how can I explain it if the RCMP and the courts cannot explain it? I do not know how I can explain it. The RCMP have investigated this case and looked into the books of these companies and of other companies—even in my riding if you want to know. They searched everywhere. At no time did they charge or indicate that a civil servant was involved. The whole thing is now before the courts. It may be pure coincidence. If so, we will say it is a coincidence and that is all. If fraud is involved, I say to the hon. member that the police have investigated and that the courts are acting. So do not ask me why there is a coincidence unless you assume that the whole thing happened in my office. I am sure that is not what the hon. member assumes.

Mr. Crouse: Mr. Chairman, may I ask one short question? Does the minister concede that the estimate by his officials of $20,860,000 is exactly the same figure that was paid to the consortium when they signed the contract?

Mr. Marchand (Langelier): Mr. Chairman, we will have to check.

Mr. Crouse: After he has checked, will the minister make that information available to the committee?

Mr. Marchand (Langelier): Yes, certainly.

Mr. Jones: Mr. Chairman, I believe most members will agree that the Minister of Transport heads one of the most important ministries of government and has one of the most important portfolios in this House. Transportation affects all Canadians. The ministry is a grass roots ministry, a department which provides service to more Canadians than any other of which I am aware.

I am a new member, as you know, Mr. Chairman; an independent without party affiliation. Nevertheless, the minister has generally co-operated with me; other ministers have, too. Actually, I have already invited the minister down to the Atlantic provinces, and particularly to the city of Moncton, so that he can see first-hand our transportation problems in the area instead of leaving it to bureaucrats. I might say that this invitation is extended to the minister's confrères. We hope they will hold a cabinet meeting in Moncton this year as this is an anniversary year for the city.

I marvel at the huge staff of the Ministry of Transport and at the huge staffs of Crown agencies and corporations which come under its authority. How many persons hold executive positions in the ministry, its agencies and Crown corporations? What is the total amount paid in salaries to them and their support staff, and overburden expenses? I imagine many members of this House ask themselves what do these people do. What is the evidence of what they do? Possibly bureaucrats have too much to say, not enough to do and assume little or no responsibility for the high wages they receive.

● (1640)

We hear of studies for this, and studies for that, and a study of this study and another study of that study—all at substantial cost to the taxpayer; all in addition to the cost of salaries of overburdens. We need action, and we need it soon.

Maritimers are still concerned about their freight rates. The consumer is paying the shot. When will the Ministry of Transport unveil a national transportation policy and a regional transportation policy? Will the minister advise what amounts have been provided for rail line relocation, in particular for the proposed rail line relocation in the Moncton area?

I wish to ask some questions with regard to transportation problems in my constituency. I know some of the national problems; however, Moncton is the transportation centre of the maritimes. First, there is the problem of CNR pensioners and widows. I suggest to the minister that this is a problem of government because in the Atlantic provinces the railways were formerly operated by the Canadian government. I suggest the government has a responsibility to these people. Second, there is need for an improved and enlarged CNR station in Moncton. Colloquially, in Moncton, that station is called the musical shoebox. It certainly fits the description. I am told that regularly tracks are out of commission in the Atlantic region. The rolling-stock is not kept up to date. There are very serious matters concerning the safety of passengers, cargo and materials.

We also hear of lay-offs. The condition of the equipment, the rolling-stock, the trackage and the lay-offs are not consistent. I suggest if there are no lay-offs, the railway gives the excuse that they do not have the men to do the job. With the lay-offs, I suggest this is an excellent time for the railways to bring their equipment, goods and trackage up to standard. I suggest the minister has a responsibility to the public on these matters of safety.

There are other matters in so far as the budget of the Department of Transport is concerned. Recently on the order paper there were items with reference to the cost of bilingualism in the CNR and Air Canada. I would like to know the cost of implementing bilingualism and any training in the Department of Transport and the Crown corporations and agencies under that department. This matter of the cost of bilingualism is completely out of hand. It has recently been revealed that upward of $3 million was spent on this by CNR. In Air Canada, therefore, we can assume it was $4 million.

Recently, Mr. Keith Spicer, the Commissioner of Official Languages, reported that languages should be taught in school. It has occurred to me that finally this gentleman, like many members of this House, is now beginning to see the light. Linguistic problems are educational problems and should be solved within the school system of this country and not within the government. It should be done in an integrated, non-separate, uniform school system with both English and French languages being taught to all our children together. You cannot do it by teaching people at age 30 to 50 or 60.

I raise this matter here because employees of CNR, Air Canada, other Crown agencies and the Department of

Transport—and, for that matter, other departments of government—are in a state of fear as a result of the policy and method adopted for the implementation of bilingualism. It is unfair, unreasonable and results in poor labour relations and costs that are a burden. It is creating disunity and is separating our country. It is destroying it. These funds could, and should be used to create productive employment. The present policy detracts substantially from the service now provided by Air Canada and CNR employees. It is reducing the morale of the employees and this results in lack of initiative and fear in jobs. Bilingualism in air traffic control is creating a real problem. I suggest that this is an international, English fact and we should leave it alone.

Another matter which concerns my constituents is the reduced air service provided to the city of Moncton and, in fact, the whole province of New Brunswick. There is no direct air service between the nation's capital and the province of New Brunswick. In conjunction with the Greater Moncton Chamber of Commerce and the Moncton city council, I met with Air Canada officials. A suggestion has been made to Air Canada in order to rectify the problem. I ask the minister to use his good offices to have this matter rectified. This is one case where Air Canada can do something to produce revenue. That is something Air Canada, CNR and some other agencies and corporations of government are reluctant to do. It might mean a little diplomacy, but it can be done.

Further, for years in southeastern New Brunswick we have been without adequate passenger facilities and baggage facilities. The runways should be repaired, improved and extended. In some cases, aircraft have to come in on the wrong runway. That should not happen in this day and age. The passenger terminal is packed. Customs facilities are inadequate and should be improved. The services and facilities of that airport are taxed to capacity. I want to know from the minister if provision has been made for these additional facilities. They are needed now. Incidentally, if there are any more problems in the controversy with regard to the Pickering airport, I suggest that the minister divert the funds allocated for the Pickering airport to the needed improvements and extension of services and facilities of the Moncton airport and other needs in the Moncton and Atlantic region.

In addition, the matter of a national transportation policy and a regional transportation policy, whether the minister agrees or not, and the problem of urban transportation in its fullest and most complete definition and interpretation cannot be forgotten. These matters are most essential: they deserve the attention of the minister and his department.

Mr. Marchand (Langelier): Mr. Chairman, I am sure the hon. member will understand that I cannot answer all the questions or deal with all the subjects he has raised, particularly with regard to bilingualism. It would take much more time that we have at the moment. There will be another opportunity. I think the hon. member is interested in knowing whether the facilities at the Moncton airport will be improved. I can say there is something in the estimates and we hope to make these improvements this year. I think the amount for this year is just over $2.5 million. With regard to how that amount will be spent, I will have to check with the department to see exactly what they have in mind. I know there is another amount provided for in the next fiscal year. I promise the hon. member that some day I will visit Moncton so that I can see for myself what is going on. Does the hon. member want to ask a question?

[Mr. Jones.]

Mr. Jones: Regarding what the minister has just said with respect to the $2.5 million, is that for the aircraft control relocation or does it include extention of the terminal facilities, including passenger and baggage facilities?

Mr. Marchand (Langelier): Mr. Chairman, that is what I want to verify. If the hon. member has no objection, and if I cannot give him the information before the end of the day, I will write to him tomorrow telling him exactly what we intend to do with that amount of money.

● (1650)

The Chairman: At this point I should inform the committee of the questions to be raised at the time of the adjournment. They are as follows: the hon. member for Parkdale—Immigration; the hon. member for Halifax-East Hants—Public Service; the hon. member for Simcoe North—National Parks.

Mr. Landers: Mr. Chairman, as a preamble I should like to thank the Minister of Transport and his staff for their co-operation in the past. In particular, I wish to express my thanks to Lucy Dion and Judy Scott of the minister's office for their efforts on behalf of my constituents in Saint John-Lancaster.

Mr. Chairman, within the city of Saint John, New Brunswick, in the federal constituency of Saint John-Lancaster, there is a harbour. Within the Saint John harbour at the present time there is an anomaly called Rodney terminal. It is an anomaly because there is no other terminal owned and operated by the National Harbours Board which has been financed in such a peculiar manner. Though the wharf is owned and operated by the National Harbours Board, the Premier of New Brunswick agreed to guarantee the funding necessary. Presently, the province of New Brunswick has invested $20 million of provincial money, plus $5 million which the province borrowed from DREE in the form of a repayable loan. The National Harbours Board has invested $12 million which it received from Treasury Board in the form of repayable loan funds. In effect, we have the province coughing up $25 million and the owner and the operator, the National Harbours Board, contributing only $12 million into the project which has so far cost a total of $37 million.

Mr. Chairman, my question to the Minister of Transport is: Why should the province of New Brunswick have the only terminal in Canada owned and operated by a federal board but which is two-thirds funded by the people of the province?

Mr. Marchand (Langelier): Mr. Chairman, in response to this first question I must say that we have co-operated quite closely with the government of New Brunswick so that they could keep going; but they needed more help than we were able to give through the National Harbours Board. Now I can tell the hon. member, without citing any figure at the moment, that it is our intention to help more

if it is necessary. From what the hon. member is saying, it seems as though there is a necessity for there to be better co-operation from the federal authorities, and this is something we will do with pleasure.

Mr. Dinsdale: Mr. Chairman, some time ago the minister told the House that the transportation policy now under study would embrace everything that moves and that it would be announced some time during the spring or summer. The minister further stated that the policy would cover not only regional air carriers but airports and highways. We have been waiting for the unfolding of this vitally needed transportation policy. I notice from reading the estimates that considerable funds are devoted to the function of strengthening the policy and planning programs of the department; I see a reference in the blue book, under these headings, to a sum of almost $19 million.

I rise to take part in the debate today following a brief reference by the minister last night to a change of direction with respect to air policy. His comments are to be found at page 5712 of *Hansard*. The change results from the fact that the regional carriers are now fully involved with the larger jets; the old policy was never designed to embrace this concept. To bring the matter into focus, may I remind hon. members that when the regional air policy was announced in 1966, the categories were reasonably flexible. The minister is aware of them:

(a) Where appropriate, limited competition on mainline route segments of Air Canada or CPA may be permitted to regional carriers if this is consistent with their local route development.

(b) In a few cases, secondary routes presently operated by Air Canada and CPA may become eligible for transfer to regional carriers.

(c) A larger role will be allotted to regional carriers in connection with the development of domestic and international charger services, inclusive tours and new types of services.

It seems to me that those categories are still broad enough to embrace the advent of the jet plane. This view is supported by outstanding leaders in the field of regional air carrier service. Among them is the Hon. Lionel Chevrier who is now president of QuebecAir. He criticized the application of the policy and accused Air Canada of an inexcusable lack of civic spirit in intervening before a foreign agency to limit the growth of Canadian regional air lines. I say this because before I reach the end of my remarks I want to get an opinion from the minister as to whether Air Canada is now moving back into some of the regional air categories it abandoned immediately before the announcement of the 1966 policy and thereafter.

Incidentally, that statement by Mr. Chevrier was reported in the *Globe and Mail* of February 13 of this year. More recently, on April 23, another leader in the regional aviation field, Mr. Arthur Mauro, of TransAir made very much the same point when he told the company's annual meeting that regional airlines were supposed to be granted additional passenger routes under the federal regional air policy announced in 1966, but that this had not happened. He suggested that the proper allocation of domestic routes would reduce the magnitude of the fare increases being requested by main line and regional carriers. Both types of carriers were losing money on short haul routes. Canada's route system should therefore be redesigned so that is would be more in keeping with the equipment and organizational structures of various carriers.

This opinion seems to be reinforced by what the minister stated last night. We were given a preliminary idea of the upgraded policy by the minister's statement on November 23, 1973, which dealt with the international aspects of air policy. This was to be followed by an expansion of the regional concept affecting also the primary or third level carriers, as they are sometimes called.

● (1700)

I agree with the hon. member for Bruce-Grey who suggested that, if we are going to make these two essential parts of the air policy about to be enunciated serve the air transportation needs of Canada, we will have to use the hub and spoke principle. I think that is why the minister indicated that he is putting the emphasis on primary and third level carriers.

I bring the problem right into focus now in a specific area of Canada to which I have directed the minister's attention before. I refer to western Manitoba and eastern Saskatchewan, that area of Manitoba outside the city of Winnipeg which is in the southern part of the province. The minister has announced that there will be an experimental commuter service operating quite soon in co-operation with the province of Manitoba. I lay emphasis on the word "experimental" because this is to be a two-year experiment. It replaces a similar service that was being provided up to a year ago by Midwest, a subsidiary of TransAir. The reason Midwest asked for suspension of service a year ago was that it had to be subsidized. It was not economically viable. I understand that the proposed service is also going to be subsidized, and it will bring into air service communities like Brandon, Yorkton, Saskatoon, Dauphin, and so on. The point I want to make is that unless the hub and spoke principle is adopted, that service will not be any more useful than was the suspended Midwest service.

What is needed in this part of Canada is a jet service that will provide rapid access to the eastern market from these particular parts of southeastern Saskatchewan and southwestern Manitoba. I am sure the minister realizes this, because in an interjection last night he said: "They can make money by flying from Brandon to Toronto but not by flying from Brandon to Winnipeg". That is just the point I want to make. The hub and spoke principle, as enunciated by the hon. member for Bruce-Grey, demonstrates that you have to feed into these regional areas. In this particular part of Canada there would be a population of about 250,000 which would be a potential market for air services. Air service is urgently needed because the city of Brandon, for example, is the home of the provincial exhibition of Manitoba and of the Royal Manitoba Winter Fair, and it is becoming increasingly difficult to attract the interest of the eastern part of Canada, agronomists, and so on, in these fairs—which were, and still are outstanding shows on the continent—unless there is jet access.

The specific question I should like to ask the minister—perhaps he will also enlarge on some of the points he made in his preliminary statement last night—is this: Is it within the concept of the revised regional, air policy that is about to be enunciated that the commuter service necessary for gathering passengers from surrounding rural areas will be reinforced by a jet service that would operate out of Brandon airport? Air Canada flies over Brandon

about eight times a day in both an easterly and westerly direction. TransAir, the designated regional carrier, offered a jet service but this was turned down by an ATC decision. I trust the minister is taking a hard look at that decision to see whether the refusal is within his contemplated regional air policy and to see whether it is economically feasible. This was a service to be operated without a subsidy of any kind based on the availability of the new Fokker 28 jet aircraft.

I know that Air Canada has been asked by the province of Saskatchewan to review jet service to this area, and perhaps the minister can give us an insight into any decisions made in this regard. I am also aware that Air Canada is offering a jet service into Prince Albert, Saskatchewan, which is a community very similar in size to Brandon, though I doubt it will have a population base of some 250,000 upon which to draw.

In summary, this is a very urgently needed service. We encourage the minister to proceed expeditiously with his review. I feel the regional air policy can still fit pretty well within the original categories if sufficient flexibility is given to make use of the wide potential of the jet planes that are now available to all regional carriers.

Mr. Marchand (Langelier): Mr. Chairman, in regard to the policy of 1966 of switching air routes from Air Canada to the regional carriers, the hon. member made reference, not to Mr. Chevrier but to the other gentleman whose name I forget.

Mr. Dinsdale: You mean Mr. Mauro of TransAir.

Mr. Marchand (Langelier): I can give the hon. member the list if he wants it, and he can ask Mr. Chevrier about it. Mr. Chevrier is with QuebecAir, one of the airlines that profits the most from routes which used to belong to Air Canada, one of which is Quebec-Bagotville-Seven Islands. I might point out that TransAir got the Thunder Bay to Toronto route, for example, in competition with Air Canada. So I think that kind of statement leads nowhere because there is no truth to it. If I am told it is insufficient, then we will discuss it further.

Be that as it may, we are now compelled by circumstances—this is something we will probably have to discuss shortly—to create a third level carrier. This is the experiment at Brandon, Yorkton, Dauphin and Saskatoon with the S-27, I think it is, manufactured by the government of Manitoba. The experiment has two purposes. First, it will give service to the area; second, it will be a good opportunity to test the aircraft to see whether it is suitable for this kind of service.

As far as jets are concerned, this is a matter for the ATC, as the hon. member mentioned. The ATC is a committee of the CTC, and it is the ATC that decides whether there is to be a service between two cities. Although there may be a change in the future, all I can say at the moment is that I am ready to discuss the matter with the CTC. But I am not sure that we are in agreement that it is a good thing to have new jets covering different sectors of the country so that one day we will be so overloaded by aircraft or by equipment that—

[Mr. Dinsdale.]

• (1710)

The Deputy Chairman: Order, please. I regret to interrupt the minister, but the time allotted to the hon. member for Brandon-Souris has now expired.

Mr. Benjamin: Mr. Chairman, I was able to ask a few questions of the minister yesterday, and I listened carefully to most of the questions of hon. members yesterday and today, and to the minister's replies. Let me say at the outset that what I am about to say has nothing to do with my personal regard for the minister. I have a high personal regard for him and I hope that nothing I say from here on will be taken by him personally. I am sure he will not do that.

Earlier, in reply to the hon. member for Yorkton-Melville regarding Crowsnest pass freight rates, the minister said if there was going to be any decision, he would make it. Since the hon. member became Minister of Transport he has repeatedly made speeches in this House and has answered literally thousands of questions during the oral question period on various aspects of the whole transportation system in Canada and all modes. I should have thought by now he would have got the message that there needs to be some fundamental change.

He has repeatedly said the government will be coming up with a new policy. His predecessor, and the minister before him said the same thing. This sort of thing has gone on for some time in this parliament, and in the previous two parliaments: we have had a continuous litany of this sort of answer. I, for one, and I suspect most other members of this Chamber and the majority of the public in Canada, have run out of patience. We have heard great speeches, funny speeches, we have heard crying and whining by this Minister of Transport, and we have been asked to wait for this and to wait for that. I, for one, do not think we can wait any longer. We are tired of waiting. Our patience has been exhausted. It seems to me that three successive parliaments and the public generally have been more than patient, kind and understanding with the minister.

When this minister talks about making the decisions, whether they are in respect of Crowsnest pass rates or anything else, and says that he will be the one to do so, I should point out that we have seen nothing but a continual display of weakness and indecision. We have had no decisions from this Minister of Transport. When it comes to announcements or statements in respect of Crowsnest pass rates, who makes them? It is not the Minister of Transport; it is the Minister of Justice. When it comes to transportation studies in respect of grain movement in western Canada—and I would think that would be under the Department of Transport—who makes the announcement? I suggest the announcement is made by the Grains Council under the Minister of Justice.

When statements are made about branch line abandonments which are killing hundreds of communities in western Canada, who makes those statements? They are not made by the Minister of Transport; they usually come from the Minister of Justice.

An hon. Member: Because he believes in capital punishment.

Mr. Benjamin: When there are speeches and statements to be made about rail line relocations, who makes them? They are made by the minister in charge of housing, or the Minister of Regional, Economic Expansion—but not by the Minister of Transport. When it comes to urban transit—and I should think that would have something to do with transportation—who makes the statements? Who made a speech in Toronto yesterday in this regard? It was made by the minister in charge of housing, not by the Minister of Transport. Who supported the railways in opposition to a CTC ruling on freight rates? Where was the Minister of Transport at that time? The Minister of Justice supported the case of the railways, not the Minister of Transport.

The railway company presidents, including the president of the one the people of Canada are supposed to own, have no compunction about making arbitrary decisions in respect of freight rates, totally ignoring the Minister of Transport. If one looks at the reply which appears at page 5640 of *Hansard* for last Friday, he will get an indication of how the railway companies ignore this Minister of Transport. The minister was asked a question by the hon. member for Mackenzie, to which he replied:

—I can say there is no law that says the railways must open their books. I tell you it is not being done. I asked for information last week and received a very nice answer saying that this is not going to be revealed to anybody, including the Minister of Transport. Someday I hope we will have an opportunity to discuss that here in the House.

I can remember one, two or three days of special debate going back to early 1969 when the same sort of thing was being discussed and the minister said something different. The presidents of these railroads can totally ignore the Minister of Transport; they act on the basis of being a law unto themselves. The president of the Canadian Pacific can rewrite history in respect of the Crowsnest pass rates or anything else. I am sure the Minister of Transport has had a few bitter experiences with that gentleman and that company.

The minister was complaining yesterday about there being so many Crown corporations that he does not know who they report to or how they report, whether through the department or through the minister to parliament. How many years has the hon. gentleman been the minister? He and his predecessors have had 12 years to bring in a new transportation policy. Where is this new policy? Where is this restructuring of transportation? Where is this fundamental change to our transportation policy and our transportation system in this country? This minister and his predecessors have sat idly by while our two railway systems have coldly and calculatedly, at the expense of the economy and the people of this country, allowed our railroads to deteriorate to a state where they are a national disgrace.

These companies have siphoned off hundreds of millions of dollars for investment in shopping centres, high-rise office buildings, oil companies, pipeline companies and mining and processing plants while our railroads have been crying for help. As a result, we have totally inadequate and completely unfair freight and passenger services. We have a transportation system that discriminates against people of this country because of where they happen to live.

The minister has said that competition does not work in respect of transportation. Perhaps he limited that to railway transportation. I do not wish to misquote him or put words in his mouth. He said that two or three years ago. I am not suggesting things he does not already know; I am just reminding him of them. Where is the policy that will eliminate this discrimination resulting from a nineteenth century concept of transportation in Canada? Transportation services in Canada have deteriorated to the point where they are as bad as any in the world. No industrialized nation in the world still operates transportation on the concept of competition and profitability. Where is this fundamental change in transportation policy?

The complaints of members from all parties, and from members of the public in all parts of Canada surely should be sufficient to indicate to the minister that any policy he brings in will have to be fundamentally different. Such a policy must be so different that it will require courage, a massive effort and a great deal of leadership. Such a policy cannot be implemented by a Minister of Transport who allows himself to be undermined continually by his colleagues in the cabinet. It cannot be implemented by a minister who allows himself to be treated like dirt by the heads of the transportation companies in the country.

I hope when the minister uses the final 15 minutes tonight, and I intend to use my entire 15 minutes now, he will tell this parliament that he is either going to bring in that fundamentally changed transportation policy and stop all this fractionating that is going on in our transportation system, or he is going to quit. If he is not prepared to stand on his own hind legs and stop allowing himself to be pushed around and treated like some clown in the House of Commons—and we do not need any more funny speeches or jokes that get laughs from members of the press gallery—then we are not going to see this new transportation policy.

● (1720)

Mr. Chairman, the requirements of transportation and everything else in the economy depend on the integration of transportation. We keep messing around with concepts that were thrown out long ago by most countries. Transportation must be treated as a public utility, an essential public service. Yet the government seems still to think it can have a little bit of free enterprise here, a little bit of public enterprise there, a little bit of regulation here, a little bit of regulation there, a little bit of this and that, and a little bit of a Minister of Transport. This business will not work. You cannot have it both ways.

We might look at the countries of Europe, Japan and Australia. We must treat transportation as a public utility, owned and operated by the public and controlled by the public through the Minister of Transport, the government and parliament, with a utility rating board or whatever overseeing body might be set up. Instead of that, we keep enlarging the jungle and compounding all the inequities, discrimination and inadequacies of a transportation system. Nineteenth century concepts have got us into a mess here. Our railroad system across the country has failed year after year to meet the growth in the transportation needs of Canada. There is nothing new about there being a shortage of boxcars. I remember in 1946 and 1947 that there were not enough stock cars or refrigerator cars. That was forgiven because of the wartime period. They have never caught up. There has always been a shortage of

locomotives. I remember in the early 1950s when locomotives were leased from the United States.

The minister must, once and for all, say that the government will bring in a national transportation policy that will get rid of the concept of competition which cannot function in a public utility. It would be just as logical to have two competing highways running side by side, or two competing electrical or telephone companies. We did that years ago. It would be just as sensible to have two competing sewer and water systems running under our streets. This is nonsense. There have been duplications, inefficiencies, backhauls and failure to keep the system up to date. Some people in the government propose that perhaps we should take over the roadbeds of the railroads. They would love that. They have allowed them to deteriorate to a point where it will take something like $1 billion to put the roadbeds back into the standard they should be in. They have never kept them up. Where was the Minister of Transport—this one or his predecessor? Who was telling the railways that they had two choices, either compulsory or "you must"?

The same situation applies in respect of the airlines. The minister says that Air Canada is asked to do things for the country as a whole. I agree with his remarks about Air Canada yesterday. They lost $1 million on their Montreal to Moscow route last year. We asked Air Canada to do something we would not ask private enterprise to do. That has been the problem. The concept has been to siphon off the lucrative routes and pad up some regional carriers or CP Air to the detriment of our own airline. I am amazed that Air Canada has done as well as it has. Half a dozen of the largest privately owned airlines in the United States are presently on their hands and knees pleading with their federal authority for several hundred million dollars to bail them out. As I have said, I am amazed that Air Canada has done as well as it has. I submit it has done that despite the transportation policy of this government and despite some of the senior management. Had it not been for the quality and character of most of the employees, it would not have done as well as it has.

The way we handcuff our own airlines and railways is criminal. It is beyond belief. I thought that by now the minister, even if it means having a knock-down, dragged-out fight with some of his nineteenth century colleagues, would have said, "This will be the new policy, or I quit. This is what I want to bring to parliament. This is what we need to do about transportation." We have all this nonsense about flying DC-8 jets over 100-mile flights. It is ridiculous, wasteful and inefficient. One can get from downtown Ottawa to downtown Toronto more quickly on the turbo than on Air Canada. Try it. This is a waste. The CNR removed one passenger train when it got the turbo going between Montreal and Toronto, and something in the order of 10,000 or 15,000 automobiles a day go back and forth between Montreal and Toronto with one person in each car. Really, what is transportation policy? Why should people leave their automobiles behind? The congestion in our cities requires a massive effort on the part of the provincial and municipal authorities as part of our national transportation policy. We need an urban transportation system. It will take ten years and hundreds of millions of dollars to do it. It will also create tens of thousands of jobs.

[Mr. Benjamin.]

The railroads refused to work together for the benefit of the various regions and areas of Canada. Why? They are supposed to be competing. The CNR and CPR have tracks side by side, but the minister in charge of the Wheat Board and some of his allies say that we must pick up branch lines way out on the prairies where farmers may have to drive an additional 15 or 20 miles to haul their grain. We have nonsense like that on the 45-miles between Regina and Moose Jaw. There are CNR tracks right beside the CPR tracks. You could remove those 45 miles of CNR track and nobody would be hurt. Then you would have a much more efficient and sensible operation between those two cities. But oh, no; they must compete.

The Deputy Chairman: Order, please. The time allotted to the hon. member has expired.

Mr. Marchand (Langelier): I will be very brief, Mr. Chairman. I think the hon. member has not been very nice. He did not put any questions to me; rather, he made a series of attacks and I do not have an opportunity to answer.

Mr. Benjamin: On a point of order, Mr. Chairman. I made it very clear to the minister that he would have 15 minutes tonight, and I hope he will do whatever he likes about what I said. There is no use asking questions any more. This has been going on for two years, and we get nowhere.

Mr. McIsaac: Mr. Chairman, I think it is worth while bringing to the attention of members that the Premier of Saskatchewan called an election today, and we are witnessing the hon. member for Regina-Lake Centre conducting his campaign. It is interesting to note that he has the same backward-looking approach he has had for 20 years.

Mr. Smith (Churchill): Mr. Chairman, I shall try to be a little nicer to the Minister of Transport. The port of Churchill is totally dependent on the CNR for the delivery of grain and other imported and exported materials to this great inland seaport. I have mentioned on other occasions in the House that this port is not used to its capacity, for the following reasons. First, there is lack of concern and effort by this government. This is reflected in the estimates we are discussing today. I feel that the money that is being spent on capital projects and also on maintenance projects represents nothing more than housekeeping. I do not feel this is good in relation to the expansion of the inland port of Churchill.

Most of the railway that runs from The Pas to Churchill has been upgraded over the last few years to the point where it is now capable of handling the hopper cars that have been built for the transportation of grain. However, the portion of the railroad from Gillam to Churchill has not been upgraded to this point. There have been several serious rail problems which have caused several wrecks. This has cost the CNR a large sum of money. It has also hampered the delivery of goods to the port of Churchill. Another problem between Gillam and Churchill which also affects the delivery of goods to Churchill is that there is no passing track from Gillam to Churchill, a distance of some 200 miles.

● (1730)

If the port of Churchill is to be brought up to its full capacity, we have to provide some money to upgrade the railway facilities and the facilities of the port itself. I would like to commend the members of the harbours board who deal with Churchill because the fellows I have met in Churchill who are working there are making a good, honest effort to upgrade this port facility, but we must have the help of the government in order to develop this port to its full capacity. I am not thinking now about submarines, and so on. I want the port brought up to the capacity of which it is capable.

The port at the present time is under the authority of the eastern region of Canada, which gives Montreal complete control over this very vital port. Why is this port not under the control of the western region where the goods shipped through that port originate? Grain comes from the central prairie region of Canada, sulphur is now coming from western Canada and is being shipped out through Churchill. Why is it controlled by the eastern region? Why can the control of that port not be in the hands of the western region where the people are closer to the situation?

Another problem with regard to the delivery of grain is the fact that there is no co-ordination whatsoever between the wheat board, the Department of Transport, and the harbours board. There does not seem to be co-operation in getting the grain to that facility and on to ships. I have stated before in the House that today when there are boats which can carry 1,300,000 bushels out of Churchill we must have better facilities and more storage capacity. Some of our trackage is completely plugged with the traditional type of boxcars, and that is why we have to upgrade our facility and the trackage in order to handle hopper cars, thus bringing the port of Churchill up to its full capacity with the facilities now there.

I was interested today to see the interest the harbours board is now taking in the diversion of the Churchill River. Hopefully not, but that will probably have some effect on the town of Churchill with regard to its water intake, and so on. I was pleased that the harbours board has the National Research Council carrying out a study.

I would also like to mention the air transport committee. In the area I represent we, fortunately or unfortunately, do not have Air Canada, but we have carriers like TransAir, Lambair, Calmair, Cross Lake Air Service, St. Andrews Air, Ilford-Riverton Airways and Parsons Airways. These carriers are not being subsidized to the tune of some $9 million. No one is picking up the tab for them. They must either provide a service and make it pay, or they are just out of business. When we consider the problems they have in making application for additional runs and reclassifying runs they already have, many of the air carriers, because of the time element and the slow rate at which ATC makes a decision, have to wait anywhere from 9 months to 18 months for a decision.

I say those air carriers are the backbone of transportation in the north at this time. At one time the railway was the backbone, but it has become such a dilapidated transportation system, and so undependable, that air transport is the key to transportation around the Churchill constituency, yet we are forcing these air carriers to violate the law almost every day because there has not been a decision handed down by the ATC.

The ATC should be considering the entire air carrier system. Perhaps we should be dealing with regions of Canada instead of trying to make rules applicable right across the country. There are air transportation problems which could be solved within each individual area. We also find that air carriers in many cases are not being considered for other regional contracts which come up, and I think they should be taken into consideration when these contracts are being let.

Freight rates in general are so out of line for people living in communities served only by the railway that it is at this point forcing not only small industry out of business in much of the Churchill constituency, but also some of the larger companies. I can cite International Nickel as an example. The Department of Transport appears to take the view that it can put a tariff on a particular item because the only way that item can be moved is by rail, but I can assure the minister that the companies are aware of this, and they feel they are being penalized. They are considering other means of transportation to move articles into their mine sites, and so on.

The small businesses along the railway to Churchill, and those along the railway to Lynn Lake are suffering an increase of 20 per cent. This was announced just last week in the area. It makes it impractical for small businesses to ship articles. That is not so for the large operator who can receive containerized goods, but the small operator is almost completely out of business because he does not have that alternative to move his goods. Many people in the smaller communities have begun chartering aircraft to move goods even though trains run right past their doorsteps because they can no longer afford to pay the rates set by the railway.

I would like to mention that the NTCL has moved into Churchill on a contract for the next 15 years to move goods up the coast of Hudson Bay. I welcome this type of development because this will help the port of Churchill. I hope this will be a jumping off spot for the development of the Arctic gas pipeline, which I hope will come down the west side of Hudson Bay. I can think of no better place than the port of Churchill as a distribution centre for that pipeline. The railway is there, ships have access, and so on. I think it would be a good move to get the facilities in shape now.

I see that there is also development on the airstrips at Eskimo Point, Whale Cove and Rankin Inlet. This is being done under the jurisdiction of the Department of Indian Affairs and Northern Development. It will be very beneficial if the pipeline does come down the west side of Hudson Bay, where I think it should, because it is the only practical route.

I would like to ask the minister if he can give me any answer on the future development of the port of Churchill. Is the government just sitting back? Is the government completely controlled by the ports in the east? Why is Churchill not developed to its full potential of, say, 40 million bushels of grain per annum, as opposed to what the minister announced last year as another record year of 22 million bushels? I cannot accept that, when the facilities are already in place at Churchill and there are people

there who operate the port. I cannot understand why the port cannot operate to its full capacity.

● (1740)

Mr. Marchand (Langelier): Mr. Chairman, I have not got much time. I do not see why the hon. member draws a conclusion exactly opposite to that which he should draw. The port of Churchill had been very much neglected in the past and I have been negotiating with the government of Manitoba to change that. Before we met a year ago there was $12 million that we were supposed to spend in about six years. We decided to reduce the period to three years in order to expedite the project. Also, as the hon. member knows, we cannot use the port the year round and so we are trying to see how we can extend this period.

The hon. member asks why Churchill is serviced by ships or companies from Montreal. This year I decided that the company which is going to serve the North and the Keewatin area will be the NTCL. That is not a company from Montreal, and there have been complaints about that. It must be recognized that we are making an effort to pay $3.3 million for engineering purposes to see how we can develop the port of Churchill. This is at the same time that we are developing the port of Prince Rupert.

The emphasis could have been put on the port of Prince Rupert, but the government decided to do something for Churchill, and is doing it. The hon. member may say it is not doing enough. Mr. Chairman, we are dredging in the port of Churchill in order to allow ships to use the harbour more easily than in the past. We are not regressing, we are progressing. Maybe it is not fast enough and maybe next year we can go faster, but we have been worried about Churchill, as we have been worried also about Prince Rupert.

The hon. member for Regina-Lake Centre forgot all this in his speech, because there was Prince Rupert, there was Churchill, and there was all the development we have done in the northern part of British Columbia. He did not mention the Clinton-Ashcroft bypass. This is of no interest to him. He did not talk about the strengthening of the highways so that trucking in the western provinces can move better than in the past. He did not talk about what we have done in the maritimes because he has no interest in that. But we have done something, Mr. Chairman, and there is something in the budget for Churchill. It is better than it used to be.

[*Translation*]

Mr. Blais: Mr. Chairman, I am pleased to take part in the debate because we are dealing with a very important problem in this country.

I am always astonished to realize how much Canada and ancient Greece are alike. In both countries the transportation problem was the one to solve to achieve national unity, economic prosperity at home and in our relations with our neighbours.

Mr. Chairman, because Canada has an area of four million square miles and 22 million people, as Greece is faced with a series of small communities which must be interconnected.

[Mr. Smith (Churchill).]

In my maiden speech, that was the problem to which I wanted to draw the attention of the House because it directly concerns people in my riding. Indeed, my constituents owe their very existence to the transportation system.

Before Confederation, of course, people used waterways, rivers and lakes to travel. Things have changed since and North Bay, as all the other towns in my riding, would not exist if the railway from this town towards the western coast had not been built.

[*English*]

Recently I had occasion to read a document called "Canada Courier", Volume 12, Number 9, which deals with the Canadian transportation industry. When Canada faces up to its transportation dilemma it will find solutions that will not only enhance communications between Canadians but which will also contribute to its future as a technological and industrial nation.

It is evident that since we developed our industrial power we have concentrated on transportation and a highly sophisticated transportation technology. I am reminded of the MLW controversy last year when we were attempting to export diesel engines to Cuba. We must realize that Canada is one of the main suppliers of diesel engines, and that is because of a highly developed technology in diesel construction. It was a surprise to me to find that Canada was one of the first developers of an international commercial jet airliner. Unfortunately the development was abandoned and Canada lost its technological advantage. That was followed by the abandonment of the CF-105, from which we still suffer.

We can look with pride on the government's involvement in the development of aircraft and air express technology. The "Canada Courier" referred to the DASH 7 and described it in glowing terms. When we see the DASH 7 coming out of the hangar we can take pride in it. As it was developed by de Havilland there was reason for the Canadian government to become directly involved in that company.

The situation in regard to the short takeoff and landing plane has been indicated by the hon. member for Bruce, and I believe the future of Canada resides in that particular domain. In the area I come from, short takeoff and landing planes have been serving the North Bay airport for some time and we expect the service to continue.

I should like to quote one paragraph from the front page of the "Canada Courier" relating to the aerospace industry as I think it describes succinctly what has taken place in that industry. The article reads:

> Canada's aerospace industry manufactures a broad range of products, 75 per cent of which is exported to world markets.

In a country which is so very interested in export markets it is interesting to see that 75 per cent of the production of this industry goes to international markets.

The article continues:

● (1750)

> Highly skilled technical and scientific personnel ensure the most advanced technology and production methods as well as the most meticulous quality control procedures. The results have been marked.

Production value in 1974 was approximately $700,000,000 of which almost $500,000,000 was exported.

We are talking about half a billion dollars' worth of exports.

The Canadian aerospace industry has produced first-class satellites like Anik, a communications satellite taking advantage of the most advanced space technology. I suggest that Canada can be considered as being among the world leaders in communications and transport technology.

[*Translation*]

If I may now deal with a question which is parochial in nature, so to speak, I would like to direct some questions to the minister whom I congratulate for his initiatives relating to the North Bay airport. Of course, it is not the most popular air terminal in the world. It is in fact a small air terminal which bears already the name of one of my predecessors in the House, Jack Garland. It had not formerly a large custom, but of late years it has been served by three air lines, including Air Canada which calls at the air terminal three times a day, Norantair, an air service of the province of Ontario for the North-East which calls four times a day, and another airline called Voyageur Bradley Air Services which calls regularly too.

So, the air terminal is serving about 400 people a day, and we feel now that the facilities leave much to be desired. There is no refreshments bar. The essentials are there, but it is not possible to have meals or refreshments there. Unfortunately too, the population of the area cannot be served by charter lines, because overseas-borne travelers must go through Toronto for customs clearance.

So, Mr. Chairman, Air Canada has in that building facilities that are, to say the least, shabby. I know that it is not directly due to the fact that this situation was brought to the minister's attention previously. All the representations I made to the minister until now have been successful. Of course, in that field, things change every six or seven months. I wanted to take this opportunity to call the minister's attention on the situation at that airport.

Needless to say that the facilities are inadequate, although the runway itself is one of the best in all north-eastern Ontario, because it is where all the flights which cannot be directed towards Toronto, for one reason or another, because of a strike or bad weather, are sent.

So, we must often welcome great numbers of passengers of Air Canada or other international airlines which are forced to stop there. I would therefore ask the minister to give me some information or to indicate what he intends to do regarding that air terminal and its facilities.

Mr. Chairman, there is no doubt, as I explained at the beginning of my remarks, that my region owes its very existence to the national transportation system. As I said, it is there that the transcontinental line originated from.

[*English*]

Without doubt, the future of Nipissing, North Bay and Sturgeon Falls depends on transportation. Three railroads serve the area, the ONR, CPR and CNR.

Now that we are involved with the aerospace industry I hope the minister will remember the extent to which North Bay depends on the Department of Transport. The future development of the area is at stake. I therefore hope the minister will make sure that the area's facilities are adequate for present services and also for any contemplated growth in the future.

Mr. Marchand (Langelier): Mr. Chairman, first let me make a few comments about the STOL experiment. If the experimental service between Montreal and Ottawa proves to be a success, and if it is proven that the DASH 7 is really an aircraft with STOL performance, not only will some problems in Canada be solved but there will be industrial benefits as well.

About 15 days ago—this does not happen often—a French delegation came here because they were interested in the DASH 7. The head of the delegation was Mr. Ziegler, the man who conceived the Concord, that big supersonic aircraft. Incidentally I do not want to see it here. At any rate he is considered as the father of the Concord. The delegation he headed came here because it was interested in the DASH 7 and in the STOL system. Mr. Ziegler is the head of a company which is concerned about air travel between Paris and the Alps. He found that we have the kind of aircraft they need for their service in France. The delegation went to Toronto, to the de Havilland company, because they wanted to see the DASH 7.

May I call it six o'clock, Mr. Chairman. I should like to answer the hon. member's second question after supper.

The Deputy Chairman: Order, please. The time allotted to the hon. member for Nipissing has expired. It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order, please. The committee will again consider vote No. 1 of the Department of Transport.

Mr. Horner: Mr. Chairman, I note the minister is present and his officials are just arriving. I want to say, with no offence to the minister, because I am allowed 15 minutes, if I use the total 15 minutes I do not think that he has no answer to the problems I have chosen to bring before him this evening. However, I hope that he and his officials will consider them.

I was greatly alarmed last Friday when, during the question period, the minister stated he had received a letter from a railway company which said quite clearly that their books were their own, they were not going to make them available to anyone, and there was no law in this land that could force them to do so. That remark concerned me greatly. I understand the predicament the minister is in, Mr. Chairman.

Last evening I read the annual report of Air Canada. Having read a number of annual reports of a number of airlines in recent years, I was concerned about their annual report. I want to put my concerns on record, in essence broadcasting to the people of Air Canada the

questions I would like them to answer when they appear before the committee to defend that annual report.

For many months we have heard from the president of Air Canada that it is short-haul traffic that causes them trouble, and long-haul traffic that makes money. He said it is the short-haul traffic they have to look after that really costs them money. I saw no evidence of that in their annual report. They referred to the Rapido air service, but gave no special accounting. Does the Rapido air service make money for Air Canada? That is my first question. The reason I bring that to the attention of the minister and Air Canada is that this is a service only between Montreal and Toronto. They may have, and in fact should have, a separate accounting of that system.

Venturex Limited, a subsidiary of Air Canada, handles their charter service under two groups, CanPlan, and some other one. There is no special accounting and no amount estimated in the Air Canada annual report as to the profit or loss of Venturex. There is hardly any mention as to whether they lost money in their courtship with Wardair or whether they made an actual contribution toward Wardair's credibility to carry on, which I think they did, at a cost to Air Canada and the Air Canada structure generally.

The annual report says with regard to the STOL air operation that there is an "encouraging public response". The president of Air Canada complains about short-hauls costing them money, long-hauls making them money, the short-haul having to be subsidized by the long-haul, yet there is no report as to whether STOL air operations can become a money maker for Air Canada, only that there is an encouraging public response.

If I would like to make an examination of Air Canada's annual report as a shareholder of that company, and I must speak for several thousand shareholders in the constituency of Crowfoot, I would like to know whether the STOL air operation has the potential of being a money maker. If it has, is there any substance to the argument that short-hauls are costly for Air Canada?

I wonder about Air Jamaica and the operations there. Is that operation costing Air Canada money purely and simply because of a commitment to the foreign affairs policy of the government?

What about Canadair and the whole involvement of Air Canada in aircraft construction? Is that operation costing Air Canada money today? Will it eventually prove to be the noose around the neck of Air Canada, forcing it to accept aircraft manufactured by the Canadian aircraft manufacturing industry?

Most airline companies suggest, without a word of a doubt, how much of their income is derived from charter service. Air Canada's annual report does not suggest that at all. It just leads us to believe it is a functional operation, and a very worthwhile one.

Having made those remarks about our air policy, I now wish to deal briefly with our railroad policy. At page 21 of committee report No. 20 of the Standing Committee on Transport Communications, I asked Mr. Sinclair, the president of CP, the following question:

Do you believe that a transportation policy should be geared to regional interests, or for our international interests, or for our ability to compete internationally?

We are attempting to evolve a new transportation policy. I asked a very simple question, should it be geared to regional interests or international interests? I wonder what the minister's opinion is in that regard. Mr. Sinclair replied without any equivocation. His answer can be found at page 21 of the committee report. He said:

Quite frankly, Mr. Horner, I do not think transportation should be used as an instrument of regional equalization. I think there are more effective ways of bringing that about.

● (2010)

He left no doubt that transportation policies should be geared to our ability to compete internationally.

This brings me to the next subject with which I want to deal. I once debated in Regina the question of whether the Canadian Pacific Railway should be nationalized or not. I took the side that it should not be nationalized. I am not ashamed of that. I do not believe it should be nationalized. I am not ashamed of the present management of CP. I think they are good. Mr. Burbidge, Mr. Sinclair, Mr. Martinelli are knowledgeable, capable men. However, from my vantage point I believe they are overlooking certain things and this evening I wish to draw a number of these omissions to the minister's attention.

As hon. members may be aware, there is a great publicity campaign currently going on across the prairies. The CP is spending thousands of dollars to convince the lowly farmers, or people they think of as lowly farmers, that there is a better way—and I know CP is not an easy aminal for the minister to get along with. In that same committee the question of grain shipments arose. The CP said "the bottleneck was on the prairies". That is a direct quotation. The minister in charge of western transportation—no offence to the present minister; I am aware of the fights that go on within the cabinet—came down hard and heavy on the side of the CPR. He turned out to be the spokesman for the CPR in Saskatchewan.

A few minutes ago I spoke about taking part in that debate in Regina. Well, I do not think the CP should be nationalized but I do believe it should perform a national service within the province of Saskatchewan. That is where the Minister of Justice and I disagree. On April 10, about a year ago, the Minister of Transport and I, at a transportation conference he called, sat and watched various spokesmen enlarge upon the ills of transportation.

The CP laid out a chart of a car cycle of grain car movements in western Canada. They said the total car cycle was 18 days. I have the chart before me, now. A car spent 1.7 days in the City of Calgary, 4.4 days moving from Calgary to Vancouver, and 4.4 days in Vancouver trying to get unloaded. So of the 18 days, it spent over half the time being made up into a big choo-choo train in Calgary, and going on being a big choo-choo train through the mountains, and trying to get that choo-choo train unloaded in Vancouver. So when the President of CPR tells the transportation committee that the bottleneck is really on the prairies, his own charts do not substantiate that statement.

He goes on to say, as we read at page 22 of the committee report that the whole cause is the five-day work week on

the elevators on the prairies. Mr. Chairman, the whole cause is not the five-day work week because, according to this same chart, the time the car spent on the prairies in spite of a five-day work week is 2.9 days; the car spent 2.9 days out of the 18 being loaded. So it is readily conceivable that the biggest bottleneck is Vancouver.

Has the Department of Transport investigated this bottleneck? Is it because of the inefficiency of the elevators? Should they work on what I ordinarily refer to as the spout and auger principle? Or is the bulk loading system preferable? Do these delays arise because loading facilities at Vancouver are based on a five-day week? These are questions which I ask the department to examine. If it has not done so already, I think it should. In any case it is important that the transportation committee of the House of Commons should consider these matters carefully.

I know from evidence given at the same committee hearings that between now and 1980 the CP plans to spend $30-40 million on the purchase of boxcars. Yet during the transportation conference the minister called on April 10, 1974, it was suggested that if they could cut the grain car cycle by one day the number of cars required could be decreased by 763. If they could lower the cycle by two days another 747 cars would be saved, making a total saving of 1,510. If they could cut that cycle by three days—these are CP figures I am quoting—they would save a further 754 cars.

Reducing the cycle from 18 days to 15 days is certainly not an impossible goal. With a reduction of three days, over 2,100 boxcars could be saved. This would save the Canadian government $40 million on the purchase of 2,000 boxcars. This gives some idea of what confounds me when I sit and watch an hour of slides being shown by CP on the basis of figures which cannot stand up to close, knowledgeable scrutiny. The CPR has been obsessed with the idea of breaking the Crowsnest pass rates. It has a disciple in the Minister of Justice. He, too, is obsessed with the idea of breaking the Crowsnest pass rates. I think other means could be found of providing efficient service to western Canada in the movement of grain.

The Assistant Deputy Chairman: I regret to interrupt the hon. member but the time allotted to him has expired.

[*Translation*]

Mr. Caouette (Villeneuve): Mr. Chairman, I welcome this opportunity to put a few questions to the minister of Transport (Mr. Marchand) this evening. As was stated yesterday by my colleague the hon. member for Roberval (Mr. Gauthier), the estimates keep increasing every year, but services in our areas are constantly reduced. I have nothing against progress and updating. But if a service must be discontinued, we ask that it be replaced by a more adequate system, so that the people be better served. We should expect service commensurate with increased estimates, and better still in certain areas. Mr. Chairman, the minister is aware of air transport problems faced by the constituency of Villeneuve, and I would like to put a few questions to the minister concerning Val d'Or airport, which has had no radar for the past month and a half.

My first question is this: Since we are examining estimates, can the minister advise the House whether the estimates provide for the installation of new radar or similar facilities required for the smooth operation of air services at Val d'Or airport? And if so, can the minister tell whether this will be done soon? I raise the question because a number of air passengers in northwestern Quebec fear for their safety in foggy weather.

Mr. Marchand (Langelier): Mr. Chairman, I have answered this same question three times in this House over the past week, once for the benefit of the hon. member for Témiscamingue (Mr. Caouette) and another time for another member in the Abitibi area. Of course the forces left the airport with their equipment. We now have inspectors on site in order to determine what type of signal equipment is needed for maximum aircraft safety. As soon as I have their report, I shall be in a position to tell when we shall take action.

Mr. Caouette (Villeneuve): Thank you, Mr. Chairman. My second question is this: Can the minister tell whether there were developments concerning another airport in the Northern part of my constituency of Villeneuve, the Chibougamau airport for which the people have been pleading for a number of years? It would serve an estimated population of 20,000. According to certain airlines a new airport in Chibougamau would be profitable. Can the minister tell whether there are developments on that matter?

● (2020)

Mr. Marchand (Langelier): Mr. Chairman, in the estimates, $2,700,000 are allocated to local or municipal airports. Of course, there is an order of priorities; we cannot build up airports everywhere. People tell me: "It seems it would be profitable. The hon. member should be able to go a little further than that with local authorities, which he probably knows quite well. I know some of them too. If he wants me to give him a hand, I can help him. He should be able to prove that the money would not be invested to allow one or two planes only to land."

There are already airports in the Lac St. Jean area; there is a very big one in the Saguenay area. That does not mean that there must not be one in Chibougamau, a city where there is industrial development. Besides, during the last elections, I went there and even visited a new barking plant of considerable importance. In any event, I think that a case must be made which will demonstrate that an airport is essential there. Then, we would be able to come to an agreement with the municipality and help them. However, I cannot tell him in such a candid way.

I remember a very simple incident which happened in my office when a full delegation told me: "We would like an airport at such a place". I answered: "What planes are going to land there?" They said: "Build up the runway and we shall see." Then, we should build up runways everywhere. All I ask you is that the case be made and, then, we will see how we can help.

Mr. Caouette (Villeneuve): Mr. Chairman, yesterday morning, I had conversations with the manager of Nordair, at Val d'Or, and he told me that he had submitted an application, I do not know whether it is to the minister or the Canadian Transport Commission, in order to get the privilege to go to Chibougamau to connect Val-d'Or and

Chibougamau; this is what makes me conclude that the company finds it profitable.

Mr. Marchand (Langelier): Mr. Chairman, Nordair might be interested because it is going to serve the whole area as it is already serving the Abitibi. The decision will be made by the Air Transport Committee of the Canadian Transport Commission. We shall see what their decision will be and if there are problems, we might discuss them.

Mr. Caouette (Villeneuve): Mr. Chairman, would the minister tell us if he is aware of representations made in order to discontinue the railway passenger service between La Reine and Senneterre?

Mr. Marchand (Langelier): As far as railway service between those two communities is concerned, as mentioned by the hon. member, I think it is under the jurisdiction of the CNR. I believe that the company needs the approval of the Canadian Transport Commission. I do not know whether the CNR has submitted an application to that effect, perhaps you might give me some more details as I do not locate those communities very well geographically. But, wherever they are located, the CTC must authorize the CNR to discontinue the service.

[*English*]

Mr. Woolliams: Mr. Chairman, I will try to be brief. I should like to discuss for a few moments some problems in the city of Calgary, but before doing so may I join in the remarks of the hon. member for Crowfoot with reference to Air Canada short-hauls. It is not so long ago that Air Canada had a route between Calgary and Edmonton. They claimed it cost them so much money that finally the route was given to a small branch company. The small branch company has made so much money that it is probably the gold mine of the west. So it sure boils down to straight management in these things.

In the city of Calgary we have the only airport in which the depot is owned by the municipality. In the days before we saw the new depots built at Toronto, Winnipeg and Edmonton—this was when the hon. member for Prince Edward-Hastings was minister—Calgary was missed, not because the government missed it intentionally but because the depot was owned by the municipality.

Then at the time Mr. Pickersgill was passing the bill through which he was going to become head of the Canadian Transport Commission, which ensured that he would get a good pension, the department negotiated a contract with the city of Calgary for the government to purchase the equity from the city. At that time it promised that within three years we would have a new depot. This was some time around 1966 or 1967. It is now 1975.

The old depot has been extended in all directions. During the winter it is equipped with electric heaters. Calgary airport is called an international airport, yet while you are waiting for Air Canada, if you happen to sit under one of the heaters you get one of those so-called Florida tans. Some say that they even interfere with the fertility of the human race, they are so hot. There are no decent washrooms. The ones they have are so dirty that even the hogs you find in rural areas in the northern part of Alberta would hesitate to use them.

There is no air conditioning at the airport, but there let me congratulate the minister. I once raised this matter in the House during an argument, and since then someone must have read about it and something was done. So I thank the minister for finally putting in some air conditioning to neutralize this terrific heat that you get when waiting for Air Canada in order to crowd on to a 747. They even have pens there. They must have thought they were in the stockyards.

We are now to have a $40 million shiny new depot for which we have waited ten long years. I sent a copy of a telegram I received to my good friend, the minister, who always tries to co-operate if possible within his own sphere of jurisdiction so as to deal with some of the monstrosities that exist in the Department of Transport. Some people claim there is a lot of hanky-panky going on with the tendering. Take, for example, a simple thing like tile. I should like to put this telegram on the record:

> We request your intervention to rectify a situation that is very unfair. We are the low tender for the supply of Gail brickplate tile pavers, approved by the architects—

By the way, they are solid Grit too. I would have thought they were solid gold, but I do know they are solid Grit. They have never been known to go to anybody but the Grits, so they should be palatable to the government.

● (2030)

Mr. Marchand (Langelier): There are a few survivors?

Mr. Woolliams: There are a few survivors in Calgary, and that is what makes them such tremendous characters.

In any event, the title was approved and this company was the one which had its tender in on time. Then along came a company in the east, and my hon. friend laughs because it happens that the company is in her constituency. Apparently the officers of this company were great friends of another noble character in this House, who used to be the Minister of Finance and then the Minister of Transport. He was the man who could always predict the economy with such accuracy.

An hon. Member: You mean Benson.

Mr. Woolliams: You guessed him; it was Benson. Apparently Mr. Benson at some time in his political career advanced a large sum of money to keep this company afloat. The company is still in some trouble and it wants to pull itself out at the expense of the Calgary company.

I have a telegram from Darlington Haskins and Company Limited of Vancouver, which is a branch of P. M. Dartnall Limited, Calgary. I might tell you that the man involved is a kind of character himself. I arrived here after seven hours on the plane—my wife had joined me on this trip—and at two o'clock in the morning he phoned me and he was in no humour to be soft-soaped in any way about this hanky-panky going on in respect of tenders for the Calgary airport.

I would ask the minister if he has an answer in respect of this matter, and I hope he does not tell me there is nothing wrong. I have done a little more research on this and I know that the tenders were closed. I think it was the hon. member for Grenville-Carleton who made a speech about the method of tendering on these contracts. An

election has just been called in Saskatchewan, and they say the only difference between the NDP and the Liberals is that the Liberals are full of money. I know they need money for their election, but I do not want it all to come from the Calgary airport and other projects in Calgary.

Seriously, I would like to hear what the minister has to say. Would he now promise to cut out this hanky-panky at our airport and please get it finished so that we do not lose our fertility in the city of Calgary just trying to catch Air Canada flights?

Mr. Marchand (Langelier): Mr. Chairman, I think the best way to answer these questions is to refer to a memo I received from Mr. Windsor who is in charge of airports in Canada. This is probably a confidential document but I am fully confident of my discretion. It states:

> Following tender call by the Project Office for supply of quarry tile for Calgary terminal, it was brought to my attention that the specification was more stringent than the Canadian Government Specification Board Standard 75-GP-1B.
>
> Subsequently, officials recommended that CGSB Specification was adequate for the purpose intended and inasmuch as there was insufficient time to issue an addendum to the tender prior to the close of tenders, the project office is now requesting quotations on the basis of the revised specification.

This was in reference to a tender call for floor tile for the Calgary airport.

Mr. Woolliams: Mr. Chairman, my sympathy is with the minister. The fact is that what has taken place was something over which he had no control.

Mr. Marchand (Langelier): Well, I thank you.

Mr. Woolliams: If I were the minister I am sure I would not have control, as he does not have control, over this hanky-panky stuff that goes on behind the scenes. Here we have an architect laying down the specifications, and then people come along and change them and a Canadian company loses the contract. This is a Canadian company, by the way, which employs about 1,500 people between Calgary and Vancouver. I know the Minister of National Revenue will appreciate that.

Because specifications are changed I hope the department does not tear up all the tenders. I do not blame the minister for this hanky-panky that is going on. I am going to sit down, Mr. Chairman, but I want to say that there is at stake some $40 million. I hope they do not tear up all the tenders and then grant these contracts on an ad hoc basis.

This is Calgary's centennial year. For 100 years we have been discriminated against in the city of Calgary, by taxation, and in the west generally by freight rates, and by having the poorest international airport in the world. Except for the character and the stamina of these people they would have gone under ground. However, we flourished as a metropolis, but we could still use the help of the minister to cut out this hanky-panky that is going on, or this little dealing under the table. We like to play poker on top of the table, but we have a feeling there is something going on under the table. I would ask the minister to take a look at the situation. Let us get this project built so that we can have some kind of equity and cleanliness.

Mr. Marchand (Langelier): I think the only suggestion I can make at this moment is that, if I am still around when it happens, the hon. member is cordially invited to the opening of that new airport.

An hon. Member: Let him cut the ribbon.

Mr. Woolliams: Let me thank the minister for his graciousness. Even if I have to stand on Grit tile, I appreciate the invitation.

Mr. Marchand (Langelier): This matter of tenders was discussed this afternoon with the Leader of the Opposition and other members, including the member for South Shore. Unfortunately he is not here.

Mr. Stanfield: I will take the message for him.

Mr. Marchand (Langelier): Yes, you take the message. I may be mistaken, but I think the Leader of the Opposition adopted exactly the same argument. He asked why we did not audit the books of the Harbour Commission in Hamilton in order to discover these things. If the hon. Leader of the Opposition did not use that argument I am sure the hon. member for South Shore did. As hon. members know, there are two commissions in Canada that operate under a special statute adopted by the House of Commons. They do not fall under the general rules, and the Hamilton Harbour Commission is one of the two. It states in that statute that the audit is to be made by the municipality and not by the federal government.

Mr. Stanfield: What about the bids?

Mr. Marchand (Langelier): The same thing for the bids.

Mr. Stanfield: I am talking about the St. Lawrence bids.

Mr. Marchand (Langelier): Oh, well, you changed the subject.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I understand you because, of course, you have no interest in the other one.

Mr. Turner (London East): Mr. Chairman, on behalf of the London District Railway Workers Council I should like to direct a few questions to the minister. That council stated in a letter to the minister that they have been informed by the news media that Mr. Bandeen, CN president, wants the CNR split into smaller companies as an economic shot in the arm, and the taxpayer as a shareholder would see his investment increase in value.

The *Globe and Mail* of April 5 also informed the council that the CN has sold the Chapman trucking firm on the west coast, wholly owned by the CNR, to a United States trucking firm. They suggest that this would be selling a part of a Canadian Crown corporation into foreign ownership. They point out that if Mr. Bandeen has this authority it would be logical to assume that he could sell off any part off the small companies into which he wants to split the CN.

It is interesting to note that on the CBC national news of Sunday, January 27, 1974, confirmed in the London *Free Press* of January 28 the same year, it was reported that the

trade minister and 33 Canadian businessmen attended a trade mission to Mexico, and that our government had agreed to a loan of $200 million for the purpose of upgrading their railways, while at the same time our own railways are being neglected and falling apart.

My question to the minister, to which I believe we are entitled to have answered, are as follows. First, were the four days of hearings held in southwestern Ontario by the Commons Standing Committee on Transportation from May 29 to June 1, 1972, mere tokenism? Second, if that is not the case, when does the minister intend to recommend the implementation of this committee report which was tabled in the House in June, 1972? Third, does the CNR president have the authority to split this Crown corporation into small subsidiary companies? Fourth, if the president does have that authority, does he have authority to sell these small subsidiary companies to private foreign-owned companies? Fifth, if the CNR is split up into small subsidiary companies what will happen to the employees and their bargaining units? Sixth, will they have a voice and be kept informed of proceedings? Seventh, did our federal government pay the $200,000,000 to Mexico?

● (2040)

Mr. Marchand (Langelier): Mr. Chairman, it is quite difficult to answer these questions outright. I think I will have to get in touch with Mr. Bandeen and discuss with my hon. friend the contents of this letter and the allegations contained in it, because I think this is a very important problem. Sometimes Crown corporations believe they can do almost anything. The government is interested in certain things the Crown corporations are doing. Maybe some of the Crown corporations even if the statutes do not compel them to do so, might inform the Minister of Transport of what they intend to do so that the newspaper men are not the first to know what is going on in certain Crown corporations. This is very serious.

If you will allow me to do so, Mr. Chairman, I should like to say that the kind of debate which has been going on is something that personally I appreciate very much. It is very useful to have the points of view of everybody in respect of the real problems. It is frustrating for anyone who has an executive job to be in the situation of discussing something with the wrong facts. Probably this is true not only in respect of executives but also in respect of other jobs when the exact facts are not before one.

There was a reference in the House today to the third report on midwestern Ontario. Of course I do not remember all the reports that are filed and tabled here. I received the information later that this report had been tabled on May 1, 1974. I was asked what we did with this third report. I did not know offhand what we did with it. It was tabled on that date. I believe it is very important to check to find out exactly what is happening.

This is similar to the situation in respect of the hon. gentleman who was here a few moments ago and who is probably now behind the curtains, my good friend from Central Nova. He spoke of the vice-president of a personnel agency who opened a business, and suggested that Air Canada paid a fee of six months salary to this agency. Well, I looked into this and I did not find anything. If he has some evidence I think he should produce it to me so that I can honestly look into it, but if it is only a rumour I think it is wrong.

If Air Canada does not behave as it should I believe it should be attacked, just like any other company. You never saw me attempt to protect any Crown corporation under my jurisdiction just because it was a Crown corporation. However, I do not think it is right to attack them wrongly. They do commit a number of sins but I do not think I want to react to all of them. We are often much more strict in respect of the Crown corporations than is the case in respect of private organizations. Some say no, but I am sure it is yes.

This afternoon the hon. member for Regina-Lake Centre made a real effort to find out everything the Minister of Transport did not do and what other ministers did in the field of transportation. He forgot to mention all that has been done through the Ministry of Transport during the past year. Many things were done, not only in British Columbia as I mentioned. Twice this year in the west, in Ontario, in Quebec and in the Atlantic provinces I met with all the provincial ministers. I even met with some of the premiers in order to discuss the policy I intend to present first to the committee and then to the House. In my view this is very important if we are to have a coherent national policy.

I do not speak of a federal policy. I speak of a national transportation policy. If we want one I believe we must consult with the local people, the people in the regions, the cities and the provinces so that we will have a policy which really meets the need of the nation. We have been working hard. I am not speaking only of the trips I made and the discussions I had but also the discussions my officials and I had on a number of other problems.

Mr. Baldwin: And the opposition too.

Mr. Marchand (Langelier): And the opposition too. I know I am due to meet it in any event so I prefer to do it in a good atmosphere. The hon. member for Regina-Lake Centre forgot about all those things. He forgot about STOL and how important it is. He forgot about all the air agreements we have entered into in order to expand the air influence of Canada. He forgot about all we did in respect of the Northern Transportation Company and what we did in respect of the government of Manitoba. This is something on which we worked very hard. I worked with Mr. Evans and we succeeded in arriving at a formula. The hon. member did not talk about the highways and what we did in that field. He did not talk about the monitoring service which followed the meeting he had with me. He stated that that produced real results. He did not talk about the cost disclosure bill which came before this House.

Mr. Benjamin: It took three years.

Mr. Marchand (Langelier): It was passed this year. We had a nice agreement with the western ministers on the freight rates, and even the premier of Alberta said it was a really great breakthrough. The hon. member did not talk about the ferry service in the maritimes. He was not interested in that. Then there was the matter of protection of coastal trade and the adoption of the Darling Report. He was not interested in that. He was not interested in the

protection we gave to Canadian flag carriers. He did not talk about the development of the railroad in northern British Columbia or about the improvement at the airports of Calgary, Saskatoon, London and many other places. He was not interested in that. He did not talk about the improvement in safety standards. He was not interested in safety at the airports.

Mr. Paproski: I rise on a point of order, Mr. Chairman. Is the minister summing up his whole debate now?

Mr. Marchand (Langelier): No, just part of it.

Mr. Paproski: May I ask the minister a question while he is summing up?

Mr. Marchand (Langelier): No. I am just answering Mr. Turner.

An hon. Member: Which Mr. Turner?

● (2050)

Mr. Marchand (Langelier): I only wish to make the point that we should be reasonable. As we used to say, if you cannot stand the heat, get out of the kitchen. That is fair enough. I will talk in a few minutes about what we have done in the field of new policy, and after that, perhaps the hon. member for Regina-Lake Centre will justify what he said when he started talking. He started by saying that he was not personally opposed to the Minister of Transport, but after that he criticized me all the time.

Mr. Mazankowski: Mr. Chairman, it is good to see the minister in such a jovial mood tonight. I take it he was replying to the hon. member for Regina-Lake Centre.

Mr. Marchand (Langelier): No, no, it was a question by the hon. member for London East.

Mr. Mazankowski: Mr. Chairman, I have a series of questions I would like to ask the minister, and a number of them arise from the debate which has been going on with respect to the Crowsnest pass freight rate. I take it there has been a change in the attitude or the mind of the minister from last October, because in the same exercise last October when we talked about the Crowsnest freight rate the minister indicated and implied that at that point in time no one in his department, and certainly no one in his office, was working on any changes with respect to the Crowsnest freight rate. Then on January 30, 1975, at page 2747 of *Hansard* in a question posed by the hon. member for Saskatoon-Biggar the matter was again raised, and the minister replied that there had been no discussions or consideration with respect to changing any part of the Crowsnest freight rate. That was confirmed on January 31 in a reply to a question posed by the right hon. member for Prince Albert. The only thing the minister mentioned was the fact that he would not undertake to make that promise for the rest of the century.

In the discussion today it seems that the minister has implied that studies and consideration are going on with respect to the Crowsnest freight rate, and that in fact he is looking at means to transfer the advantage of the Crowsnest freight rate to the farmers of western Canada. I wonder if the minister could inform the House or elaborate on just what form that transfer might take and what sort of studies and consultations are taking place. I notice that the minister in charge of the Wheat Board is here, and he has indicated that he very much enjoyed the—

Mr. Baldwin: He is the associate minister of transport.

Mr. Mazankowski: The hon. member for Peace River has said that he is the associate minister of transport. The Minister of Justice has indicated in a press release that he takes very seriously the input of western Canadian farmers, and I know that he has been out west discussing freight rates and the whole subject of rail transportation. I am wondering if the minister can take the House into his confidence and outline what kind of review there might be in respect of the Crowsnest freight rate, having regard to the fact that the subject of the Crowsnest freight rate is actively under consideration.

Will there be a change in the statutes? Will it be a form of subsidy to producers? Will it be in the form of a subsidy to the railway companies? I sincerely hope the minister will clarify that once and for all, because it is an issue which affects every western Canadian and particularly every western Canadian grain producer. If the minister could do that, I think the record would certainly be put straight, and hopefully that would allay the fears that the whole concept of the Crowsnest freight rate might be removed. But if the advantages are to be maintained, I think the minister owes it to this House and to the country to advise us of just what form the transfer of the advantage will take.

Mr. Marchand (Langelier): Mr. Chairman, once or twice this afternoon the hon. member for Yorkton-Melville put exactly the same question to me. The first time he was not satisfied with the answer, and I gave another answer. I do not know whether he is satisfied, but I have already given the answer. I would appreciate it if hon. members would read *Hansard* tomorrow. It is not that I do not want to make the effort of answering, but the more answers one gives, the more interpretations can be given to those answers. I prefer to maintain what I have already said.

Mr. Mazankowski: Mr. Chairman, it is precisely this kind of thing which this committee is trying to clear up. The minister is now being as evasive as he was with the hon. member for Yorkton-Melville. If he cannot remember the answer, perhaps he might prevail upon his colleague, the Minister of Justice, to answer the question because he seems to answer these questions more frequently than the Minister of Transport himself. I listened very carefully to the response the minister gave to the hon. member for Yorkton-Melville, and it was very cloudy and confusing.

I simply want clarification. If the Minister of Justice is prepared to stand in his place and respond, I would certainly accept his answer because I believe that the Minister of Justice has a plan and has been actively engaged in considering the Crowsnest freight rate, and ways and means to alter it. As the hon. member for Crowfoot pointed out in his contribution to this debate, we all know that the railways are engaged in a very vigourous campaign to undo the Crowsnest freight rate, and the minister seems to

be acquiescing in their request. For example, we know, and I am sure that the minister knows, that the average per ton mile freight rate with respect to the Crowsnest pass is something in the order of 0.5 cents. The Chairman of the CPR in the transport committee the other day indicated that he considered a fair rate to be something in the order of four times that amount, yet at the same time we find that in moving grain from Thunder Bay to Montreal, which is not governed by the Crowsnest freight rate, CP Rail is charging 0.97 cents per ton mile.

If the minister is going to sit in his place and condone and acquiesce in that kind of action, to the destruction of the Crowsnest freight rate, aided and abetted by his colleague, the Minister of Justice, we in western Canada and we in this whole country are in for a rude awakening because this minister and the Minister of Justice seem to be on the road to ruining any advantages the transportation policy of this country may have for western grain producers.

I am not satisfied with the minister's answer, and I reiterate that if the Minister of Justice knows the position and the policy of the government better than the Minister of Transport, perhaps he may want to answer.

● (2100)

Mr. Marchand (Langelier): Mr. Chairman, these are my estimates and I am supposed to answer the questions. What I said this afternoon will appear in *Hansard* tomorrow, and it is not what the hon. member repeated. He can check *Hansard* to see what I said. All the freight rates are a part of the policy we are working on, and I stated that we will act in such a way that western farmers will not lose anything in the new transportation policy or the new freight rate structures.

Mr. Mazankowski: Mr. Chairman, may I ask the Minister of Transport how he proposes to transfer the advantage of the Crowsnest freight rates to the western Canadian farmer?

Mr. Marchand (Langelier): This is part of the general policy that we are going to discuss in a short time, Mr. Chairman, and I would be glad to receive any opinion that the hon. member may have.

Mr. Mazankowski: May I ask the minister a further question, Mr. Chairman? Will legislation be introduced in the House at the appropriate time to deal with this aspect of the transportation policy?

Mr. Marchand (Langelier): I have every reason to believe that if the House agrees to discuss this in the standing committee—because it has to be referred to a standing committee of the House—then we will be in a position to discuss the new policy and the principles of what we intend to do before the end of June.

Mr. Mazankowski: Mr. Chairman, I wonder if the minister would undertake to guarantee to the House that legislation will be brought forth before any changes are made unilaterally. Will the policy position papers that the minister is now improvising be referred to the Standing Committee on Transport and Communications to be dealt with as was promised by the minister on April 25, 1974, at page 48 of issue No. 4 of the proceedings of the Standing Committee on Transport and Communications?

[Mr. Mazankowski.]

Mr. Marchand (Langelier): Mr. Chairman, there is one point I should like to have clarified. Which law is the hon. member referring to that should be modified?

Mr. Mazankowski: I understand that the Crowsnest freight rates are statutory law. Will the minister undertake to bring forth legislation? We hear conflicting views. One time we hear the minister saying that the Crowsnest freight rates would not be touched; we hear the Minister of Justice saying that the Crowsnest freight rates would not be touched; and today we find that they will be touched and the advantages will be transferred. Will those advantages be transferred to the producers or will they be in the form of a subsidy to the railway companies?

Mr. Marchand (Langelier): Mr. Chairman, I am not in the position to say there will be any modification to that statute so I cannot guarantee that we are going to introduce legislation. It may very well happen that no legislation at all will be introduced on that subject.

Mr. Mazankowski: Mr. Chairman, I wonder if the minister would undertake to tell the House what procedure the government is adopting with respect to the review of the Crowsnest freight rates? Is it going through the CTC? Is it going through the grains group? Is it going through the upper echelons of the minister's office, or is it being studied by the Department of Transport?

Mr. Marchand (Langelier): Mr. Chairman, as soon as the new policy on freight rates is discussed by the committee, or by the House, we may make some recommendations and those recommendations can be modified according to the suggestions of the opposition. I am not going to say at this time what is going to happen when the policy itself is still not defined.

Mr. Baldwin: Has the minister got authority under the National Transportation Act now to change the Crowsnest rates?

Mr. Marchand (Langelier): The hon. member can debate this at that time if he wants to do so.

Mr. Mazankowski: Mr. Chairman, this commitment is like so many others that we have received from this minister. On February 24, 1975, and it was classified as a great breakthrough, we found in that report that there were changes with respect to rate groupings, changes with respect to maximum rate restrictions, long and short haul—I could quote ad infinitum the commitments that were made. In regard to the minister's commitment to establish rate groupings to aid industrial development in small centres which had been promised at that time, I wonder if the minister could now tell the House when these will be put in place?

Mr. Marchand (Langelier): According to the agreement we reached in the west recently, the railways are holding discussions with the provinces and trying to reach an agreement on this particular subject.

The Chairman: I regret that I have to interrupt the hon. member but the time allotted to him has expired.

Mr. Hogan: Mr. Chairman, there are many questions that I should like to put to the minister about transportation in the Atlantic region—not the Crowsnest freight rates. Until we get a new policy, however, it seems that we are going to get just vague answers.

The minister said something this afternoon which I should like to have clarified. He referred to the changes in the Maritime Freight Rates Act raising the subsidy from 30 per cent to 50 per cent on goods moving outside the Atlantic region. That left the impression that we are doing very well. He did not mention the huge increase of 25 per cent, and likely more coming, on all movements within the Atlantic region, which will go hard with the small and middle sized business men in the area about which we are concerned. We welcome the raise to 50 per cent from 30 per cent for movements outside the Atlantic region, but we are more interested in stabilizing things within the region. That is one matter that I should like the minister to clear up for us.

I hope we will have some definite information on the new transportation policy that is coming out before the House adjourns for this session. I should like to ask the minister if there have been any requests from the province of Nova Scotia for special help for privately owned municipal bus companies in Cape Breton. These companies are writing to me and saying that, unless something special is done, they will go under. The situation is that grave, Mr. Chairman, and I could show the minister all kinds of correspondence about it. I realize this is primarily a provincial responsibility, but they do not seem to be handling it in Nova Scotia in a way to give some stability to the municipal bus companies.

I have a third question that I should like the minister to spend a few minutes on, and to be as specific as he can. I realize he cannot speak for cabinet, but when can we expect an announcement on whether his department is going to recommend a merchant marine for Canada? The minister has said on several occasions that he is in favour of this, and I have heard him refer to it myself. Is his department going to recommend this to cabinet and, if so, when can we expect an announcement? This is vital to the development of the Atlantic region, and I hope it will be in the new transportation policy.

● (2110)

I hope the minister will consider the movement of goods from the Atlantic region to central Canada and will look into the way in which the Maritime Freight Rates Act needs to be adjusted from time to time. How will the federal government, with the help of Atlantic province premiers, develop our superports so that we can take advantage of new technologies in transportation, deal more with the rest of the world by developing our export sector, and concern ourselves less with so-called internal transportation links between the Atlantic region and central Canadian provinces? These transportation links have been of concern to us for 100 years and we have made relatively little progress.

I agree that in the metropolitan areas of the Atlantic region we have made substantial progress in the last ten years. This progress is not really the result of deliberate government policies but is the result of defence spending in Nova Scotia and growth of government services.

One million people, in Canadian terms but not world terms, are living on the margin of subsistence in the Atlantic region of this country. The government's policy must be geared to help them.

Let me repeat and clarify my previous questions, in case the minister has forgotten them. First, I wish the minister would clarify the statement he made today concerning the Maritime Freight Rates Act. It has been suggested that the act is of benefit to the Atlantic region. How will we continue to feel the benefit in the Atlantic region in view of the increase requested by the railways? Further, has the minister received requests from the government of Nova Scotia for special help for privately owned municipal bus companies in Cape Breton Island? These companies are constantly writing to me, saying they will go under unless something is done. Thirdly, when can we expect an announcement from the minister or the department saying that he or the department recommend the establishment of a Canadian merchant marine? I repeated my questions in case the minister forgot them.

Mr. Marchand (Langelier): Mr. Chairman, I said this afternoon that it is true, we improved the subsidy system of the Atlantic provinces. It is true that most rates were increased, although some have been decreased a little at our request, as we thought they were unjust. But we must consider this in terms of relationships, in terms of what has gone on in the rest of Canada. These increases did not take place only in the Maritimes; they took place everywhere in Canada. The subsidy which the Maritimes receive is something which they have and the others do not have. I think the hon. member was suggesting something like this, "You agreed to give us a 50 per cent subsidy on certain commodities, but it is not worth it, because rates have increased generally—

Mr. Hogan: Who said it is not worth it?

Mr. Marchand (Langelier): That was the suggestion. The problem is this: the Maritimes, the Atlantic provinces in general, wanted to be in a position to compete in central Canada with their manufactured goods, and they received a subsidy of 50 per cent on a great number of commodities. The fact that there was a 25 per cent, 20 per cent or 15 per cent increase across the board in Canada does not change the relative position of the Maritimes. That area has received a special subsidy because it is located far from markets. This statement holds true for the Atlantic Region Freight Assistance Act and for the Maritime Freight Rates Act.

I think we provided about $22 million to the Atlantic provinces under the assitance legislation, and $14 million under the Maritime Freight Rates Act. It is unjust not to mention that, and to say, "But you must not consider that, because our rates have been increased." I say that you were not placed in an unfavourable position on account of these increased freight rates. Of course you do not like it. I do not like it. I do not like inflation, and I do not like price

increases. Neither does anybody else. In Europe, the United States and elsewhere, people do not like these things. As I say, we do not like it, but your relative position is better than it was. We have reached an agreement. I met with the hon. member's provincial minister. I even met with the premier of Nova Scotia.

Mr. Stanfield: Even with the premier?

Mr. Marchand (Langelier): Oh, yes! I have no prejudices! We said on that occasion, and I think this was published in the newspapers, that if any industries in the Atlantic provinces are affected by these increases, which are being asked for by the railways, to the point where they must curtail their production or close down, please communicate with us and we will see that such industries are given special help by the CTC or the federal government. Up to now we have received no demands, or no requests at all, only complaints in general terms like the one made a few minutes ago. I do not think we can establish a meaningful freight structure in Canada that way.

We have worked on the policy all year and we are convinced, more than ever, that we must deal separately with each region. The problem is not the same everywhere. The problem of northern Ontario is not that of southern Ontario; the problem of the Atlantic provinces is not that of B.C.; the problem of the prairies is not the problem of parts of Quebec.

Mr. Mazankowski: And it took you five years to find that out? We have heard that so often from you.

Mr. Marchand (Langelier): Yes, you have heard it.

Mr. Mazankowski: From you.

Mr. Marchand (Langelier): Yes, from me.

Mr. Mazankowski: Well, do something.

Mr. Marchand (Langelier): We want to do something, not only talk about it.

Mr. Mazankowski: Your speech has not changed in the last two years.

Mr. Marchand (Langelier): And your questions have not changed one iota.

Mr. Mazankowski: And you still insist on making that same speech.

Mr. Marchand (Langelier): Not only are the questions the same, but—

Mr. Hogan: On a point of order, Mr. Chairman—

Mr. Marchand (Langelier): —most of the questions are in the same category. Up to 95 per cent of the questions which have been asked today in committee are questions—

Mr. Hogan: On a point of order, Mr. Chairman, I appreciate the minister's zeal for transport policy in Canada, but I wonder if he can answer the second and third questions I asked.

[Mr. Marchand (Langelier).]

The Chairman: Order, please. Perhaps I should remind hon. members that, according to the agreement already accepted by the committee, the minister is speaking during the last 15 minutes allocated to him in order to summarize all points which were brought to his attention. At 9.30 a member of the official opposition will be entitled to speak for 15 minutes and close the debate.

Mr. Marchand (Langelier): Mr. Chairman, I tried to be as cool as I could; but some always find a way to provoke me. I can take it and shoot back, to be sure, particularly after hearing the kind of questions I have heard here for two days. We were discussing transportation in Canada and trying to find a new policy which will bring more justice, more equality to the transport system of Canada, and all we have heard are small and mean questions concerning one small corner of Canada.

Mr. Mazankowski: You call freight rates a small item? Nonsense! This is something we shall remember.

Mr. Marchand (Langelier): Those are the kinds of questions which were asked 95 per cent of the time. The other 5 per cent was taken up with cries of a kind which have nothing to do with argument, reason or intelligence.

Mr. Mazankowski: We shall see just how small an item freight rates are.

Mr. Marchand (Langelier): Most members, I know, are convinced that transportation is a serious matter. Some say that I keep repeating the same thing. Of course I do and I am going to keep on repeating it, because I want something to be understood very well by all Canadians and by the majority of this House.

● (2120)

We have to take into account the special conditions of each region so that the policy we develop is equitable, accessible and efficient. We do not want a transportation policy such as that set out in the old act where it must first be economic, then efficient, and then adequate. This is something which has some bearing in the law. We have been working on it. We have not been working alone, but with the provinces and the railways.

Mr. Stanfield: Answer his questions. The hon. member for Cape Breton-East Richmond did not put mean questions. He is not getting answers.

Mr. Marchand (Langelier): The Leader of the Opposition does not understand the rules of the game. At this time I have 15 minutes to sum up and close this part of the debate. Following my remarks, a member of the opposition will be in the same position. Therefore I do not have to answer any more than I have done. The Leader of the Opposition is just trying to take a few minutes away from me.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Members opposite do not like it. Did they not accept this rule?

Mr. Paproski: You have been winding up all evening.

Mr. Marchand (Langelier): I think it would be impossible to wind you up. We not only have to study the problems of the railways, freight rates, trucking, buses, ports, and ships, but study them altogether to see how those modes of transportation can be integrated into the best system that we can produce for Canada. We have been working on this.

Miss MacDonald (Kingston and the Islands): Tell us about it.

Mr. Marchand (Langelier): You do not know what has been done. You have not read it.

Mr. Baker (Grenville-Carleton): Do you know?

Mr. Marchand (Langelier): Yes, but you do not know, so shut up and wait until you hear it. When you have heard it, you may want to criticize. I do not think the role of the opposition is to just yell without knowing.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): There are men who are very serious. They have spent their whole life on transportation. They have been working on this policy for many months, trying to find the best formula. We want to find a solution to the problem in the west as well as in Ontario, Quebec, and the Maritimes.

Miss MacDonald (Kingston and the Islands): When are we going to get the policy?

Mr. Paproski: Before the next election.

Mr. Marchand (Langelier): I remember at the beginning I used to react violently when members opposite made these remarks. I no longer react violently. I remember the first time I talked about the law, amendments to the Immigration Act, and a new policy members opposite, and I could give their names, said "When is the minister going to bring that in? It has been four months now." It was brought in. It passed. Now there is talk about changing it. It was the same when we talked about Manpower, and when we created the Department of Regional Economic Expansion. Members opposite said, "You are not interested in that. You are not going to create it." It has now been in operation for many years. When members opposite get the books in their hands, they will stop saying, "Give it to me, please." However, outside the things they will regret saying tomorrow and the things I may regret saying tomorrow, I think we can work on a new policy for Canada which will help both the producers and the carriers.

An hon. Member: When?

Mr. Marchand (Langelier): All I can say is that before the end of June cabinet will have approved what will be the basic policy on transportation in Canada. That is all I will say because you do not believe it.

In conclusion I wish to thank the western farmers who received me with such warmth. If they could see how their representatives are behaving here this evening, I think they would change their minds about a certain number of them. They forget that this is an important problem. It should be discussed in a serious way, not by laughing and yelling.

Some hon. Members: Hear, hear!

An hon. Member: Don't take that, Otto.

Mr. Marchand (Langelier): I will not take it out. I will explain that in the west at any time. I feel at home there. It is my country as well as eastern Canada.

I thank those members who are really interested in the welfare of this country and who asked serious questions. Even though some of the questions were difficult, I think they were fair. That is one of the rules of the game. There are others who only cried "shut up" or "produce". I do not know if that is recorded in *Hansard*. If it is, that is what they leave for the future generations of Canadians.

Some hon. Members: Hear, hear!

Mr. MacKay: Mr. Chairman, I rise on a point of order. I was outside the chamber for a moment or two. I did not get the purport of an answer the minister gave to one of the questions I asked earlier in the debate. Possibly I could ask the minister to repeat it briefly. I am sorry I was not here when he said it.

The Chairman: Order, please. The hon. member may be very interested in getting the answer, but that can only be done with the consent of the representative of his party who is entitled to 15 minutes to sum up the debate. If I were to allow the question without the consent of the hon. member for Lisgar, I would have to allow the minister to reply. That would take away time from the 15 minutes that are available. I am at the disposal of the hon. member for Lisgar.

Mr. Murta: Mr. Chairman, I think it is agreed now that the hon. member for Central Nova has at least stated his position on the record, and the minister will hopefully answer tomorrow the question which was asked at the start of the debate.

● (2130)

In winding up this two-day debate on transportation I should like to make a few points for the Minister of Transport to note. In his last few statements the hon. gentleman seemed to be doing some philosophizing, but it comes back to this: certainly, since I have been in the House, that is, since the fall of 1970, the minister has said basically the same things as he has been saying for the past four years; I would assume they were the same things he was saying when he was minister responsible for DREE. I do not necessarily say this in a partisan way, but the hon. gentleman does seem to be buried in the bureaucracy of his department. He is like someone trying to escape from an octopus without knowing how to do it.

He says that the same questions have been put to him over and over again. I suppose they will continue to be put to him until some of the problems to which they relate have been solved. He also said he had been obliged to sit through a lot of small and mean questions. Well, if the hon. gentleman thinks they are small and mean, they are the kind of questions which represent people across

Canada. I thought there was a good cross-section of views put forward in the past two days.

I am glad to see that the new deputy minister of transport sat through most of the debate. This may give him a better understanding of the transportation problems we experience in this country. In the course of the debate we have covered many areas, but there are many other areas which have not been covered. I suppose we could continue this discussion for the rest of the week and still find we have not touched upon all phases of transportation. In the last two days the minister at least seemed to be interested—more interested than he seemed to be during other debates on transportation. I think he should be given some credit for this. But in no way has he convinced the official opposition, at least, that he has his department under control.

In answering our questions—what you would consider the 5 per cent of the good questions which were asked—I really feel you did a lot of waffling.

The Chairman: Order. I have been listening to the hon. member, and I think he should make a strong effort to address himself to the Chair.

Mr. Murta: Thank you, Mr. Chairman. I apologise. Any further remarks to the minister will be made through yourself.

We have all heard the term "too little and too late". I always hesitate to use it because it is a stock phrase to use when speaking as a member of the opposition about a minister or a government department. Nevertheless I think it perfectly describes the situation which now exist—it describes the efforts of the minister and his department to rectify the situation which has developed over the past few years. One can go over the policy guidelines which the government has used for the last two election campaigns and see that virtually no part of that program has been implemented. The minister has finally got a larger staff; we have seen a substantial increase, a 39 per cent increase in the staff of the department itself. It seems the minister is finally beginning to realize the extent of problems with which he is faced.

As to the ambivalent statements respecting the Crowsnest pass rates and the jurisdictions of the two ministers, the Minister of Transport and the minister responsible for the Wheat Board, I venture to say that the Minister of Transport is not quite sure of his ground in connection with the Crowsnest rates. I believe the minister responsible for the Wheat Board has that issue pretty well under his wing at the present time.

I should like to pass on a word of caution to the Minister of Transport. If there is any attempt to change the Crowsnest pass rates without legislation there will not only be a rebellion in the House of Commons, there will be a rebellion throughout western Canada. I would point out that there are two studies going on at the present time, one is the Snavely study in which a costing account will be done—it will take about eight months—and the other is the Hall Commission which will take about 18 months. I say to the minister, and to the minister responsible for the Wheat Board, that it would be foolish to bring in any change whatsoever regardless of the new policy we are talking about as far as the Crowsnest pass rates are concerned.

Once again, and I am not speaking politically, we in the official opposition sincerely believe the Minister of Transport is not giving any direction to his department. He is not giving any leadership. I commend the deputy minister for sitting through this debate. Possibly the most important aspect of the whole debate is that we feel the Minister of Transport does not understand the importance of transportation in such regions of the country as western Canada, the maritimes, and northern Canada. This has been demonstrated time and time again. If the minister can convince the official opposition that he is making an effort to change his attitude we shall certainly give him all due credit.

I had intended to mention the unfulfilled promises contained in the transportation policy which the Liberals presented in 1974—promises which have not been fulfilled. I shall not do so because my time is running out. The fact is that very few of these promises have been implemented in any way at all. When the minister reacts with irritation to criticism from this side of the House that he is not doing anything, we are entitled to bear in mind the failure to carry out the policy put forward at the time of the election and draw our own conclusions.

● (2140)

In conclusion, officials of Air Canada will be before the transportation committee in the near future, hopefully toward the end of May or the first part of June. We will have the new modes of transportation policy that the minister talked about some time in June also before the transportation committee. All that is left for me to say at the present time is that this kind of debate has been constructive. I think it has brought the problems of transportation in various areas of the country to what you might consider front and centre stage. In doing that hopefully it will focus the attention of the minister and his department on the various problems which were raised and alluded to over the past two days.

I conclude by saying that we on this side of the House certainly welcome any move or policy commitments in the upcoming months, and we will take part to the fullest extent in any policy debate on transportation in the future.

[*Translation*]

The Chairman: May I call it 9.45?

Some hon. Members: Agreed.

The Chairman: It being 9.45 o'clock p.m., it is my duty, pursuant to sections (9)(a) and (9)(c), of Standing Order 58, to interrupt these proceedings and to put forthwith every question necessary to dispose of the proceedings.

[*English*]

Department of Transport votes 1, 5, 10, 15, 20, 25, 30, L35, 40, 45, 50, L55, 60, L65, L70, L75, 80, 85, 90, L95, L100, 105 and 110 agreed to.

The Chairman: Shall I report the resolutions?

Some hon. Members: Agreed.

Resolutions reported and concurred in.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. We have now completed the estimates that have been considered. I was going to put to Your Honour that the proceedings are analogous to the proceedings we used to have in this House some years ago after supply, when some time was left before ten o'clock. During that period grievances were raised by hon. members. It was the right of members of the House, before the estimates were finally completed, to present grievances to the House through the Chair.

We have some excellent grievances, Mr. Speaker, which we could raise in the ten minutes that are left. I am particularly interested in the grievance concerning the infamous conduct of the government in refusing to allow civil servants to appear before committees, and I should just like to raise the matter briefly. I hope we will have some reply in the ten minutes remaining until the adjournment motion can be put. I think it is the best use that can be made of the time since it is not yet ten o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member sought the floor on what I expected to be a point of order, which it seemed to be in the first part of his remarks. At the same time he seems to have made the decision for the Chair, and he went on to adopt a new procedure, to which of course the Chair has no objection. The committee did not make any suggestion in this regard, but since the House is in a kind of trial mood I am ready to put the question to the House and seek unanimous consent in order to use the next ten minutes to experience once again the grievance procedure. Does the House give unanimous consent to the hon. member for Peace River (Mr. Baldwin) or to other hon. members to use the time available until ten o'clock for this purpose?

Mr. Sharp: Mr. Speaker, this is an experimental period, and we have no objection. I am sure that the House leader for the official opposition will give our side equal time, however.

Mr. Baldwin: Yes, I will.

Mr. Deputy Speaker: Is there unanimous consent to adopt this procedure?

Some hon. Members: Agreed.

PUBLIC SERVICE—PRINCIPLE GOVERNING APPEARANCES BY CIVIL SERVANTS AS COMMITTEE WITNESSES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, this matter is so serious that I expect to give the members on the government side far more time than I take to answer these accusations. I put it to the House, through you, Mr. Speaker, that the present position is shocking and intolerable. It is a grievance that must be brought up in the House. We have a situation where the Prime Minister (Mr. Trudeau), by what is the equivalent of a Papal Bull, is saying that a civil servant cannot appear before a committee. The Minister of Energy, Mines and Resources (Mr. Macdonald) appeared before a committee of the House and said that civil servants can only appear when he allows them to appear, that they can only say what he allows them to say.

I suggest to the members of the House that it is this House that is the highest court in the land, and that we cannot tolerate any decision that exempts a minister or a civil servant from the rules that apply to all others. If a witness is called before a committee and refuses to appear or to answer, then he or she can be committed for contempt. Why then should civil servants be exempt?

● (2150)

I recognize that there are situations when civil servants should not be allowed to answer questions. The secretary to the Privy Council, or the secretary to the Cabinet, should not be allowed to answer questions dealing with what went on in Cabinet. Of course, I do not think an awful lot goes on when we see the results. Nevertheless, he should not be allowed to answer questions as to what goes on in Cabinet. Outside of that he is no better than anybody else in this country, and if he is called as a witness he should be compelled to appear.

I know my hon. friend is going to talk about responsible government. Of course we have responsible government, or we used to have, but the government is not very responsible now. Responsible government does not mean that civil servants can be exempted, or that they are above the law and should not be competent and compellable witnesses. That is what I would like to hear my hon. friend speak on when he replies.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, this subject is not new. It has been referred to during the question period on a number of occasions, and I understand it was discussed yesterday when my parliamentary secretary appeared before the Miscellaneous Estimates Committee. It seems to me that the essence of the point is who is answerable to parliament, and I suggest it is the government and the ministers.

Mr. Stanfield: Oh, no.

Mr. Sharp: Surely if that were not the case we would find that members on the other side could be subject to questioning, and so on, and that is not the principle upon which we operate.

Mr. Baker (Grenville-Carleton): We didn't think you understood; now we know.

Mr. Sharp: Ministers take responsibility not only for their own actions but for the actions of their departments and for their civil servants. Perhaps the Leader of the Opposition can remember when he was the prime minister of a province.

Mr. Stanfield: It is a long time ago.

Mr. Sharp: He then had to take the responsibility for the actions of his civil servants. That is the principle upon which we operate. If you go behind the minister and compel civil servants to appear, then, of course, you break down the whole principle of ministerial responsibility.

Mr. Stanfield: Rubbish.

Mr. Sharp: I suggest to my hon. friends opposite that they should consider very carefully what they are doing.

Mr. Stanfield: We do, every day.

Mr. Sharp: If they were to force officials to appear before committees then, of course, the minister could hide behind civil servants.

An hon. Member: You do every day.

Mr. Sharp: I am sure that is a situation they would not relish any more than we would. I suggest that this is really a spurious issue. I can only believe there are some people on the other side who have some personal animosity toward particular civil servants and are trying in this way to vent their feelings.

Some hon. Members: Oh, oh!

Mr. Sharp: As far as the ministers are concerned, we are prepared to answer any questions put to us and, if necessary, we are prepared to have our officials advise us. There are occasions in committee when ministers do ask their deputies to come and help them in answering questions. Indeed, we have seen this happen during this day's debate in the committee of the whole when the minister was advised by some of his officials. No one in this House asked those officials to answer. They were asked by the minister to be present. Surely this is the principle upon which this House must operate, otherwise the whole system of responsible government breaks down.

Mr. Baldwin: Look what happened to Nixon. That's what he said.

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I was very interested to come here and hear the President of the Privy Council (Mr. Sharp) speaking about the reliance of Cabinet ministers appearing before committees of the House of Commons, considering estimates or otherwise, on civil servants, and their responsibility to answer questions on policy instead of public servants. In light of that I would be very interested in knowing what was the rationale that was followed by the Government of Canada in refusing to send either a senior public servant, the Clerk of the Privy Council or the official of that office now held by Mr. Gordon Robertson, to the Standing Committee on Miscellaneous Estimates, and not even sending a minister who could answer on behalf of that public servant.

Mr. Baldwin: Shame!

Mr. Clark (Rocky Mountain): We had an absolutely absurd situation in the standing committee last night when a public servant who could have provided the answers was not allowed to come as a result of a decision of the government, and when there was not even a minister or a member of the Cabinet sent.

Instead, the person who was sent was a parliamentary secretary, not to the minister responsible for the estimates being considered, but a parliamentary secretary to the wrong minister. That is surely an absurd situation which, if it had any purpose at all, was designed to obstruct the capacity of parliament in considering the estimates to speak to anyone in authority who might have been able to describe the policy reasons for which those estimates were being presented and for which support was being asked.

The minister just cannot have it both ways. If he is going to deny the right of parliament to question public servants on important questions when a minister is present, he surely cannot, if he has any belief at all in the parliamentary system, refuse to send to a standing committee on estimates either a public servant who can answer questions, or a representative of the Cabinet who is in a position to speak on policy matters.

I would be very interested in knowing what rationale, if any, the minister and his colleagues were following last night in sending a person without Cabinet responsibility, or sending a person who does not even have derivative responsibility, if such exists, such as a parliamentary secretary, to a committee considering estimates.

An hon. Member: Using that person as a flunky.

An hon. Member: Sit down.

Mr. Clark (Rocky Mountain): The only possible reason might be—

An hon. Member: Sit down.

Mr. Clark (Rocky Mountain): The only possible reason might be to cut off any consideration or analysis of those estimates.

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, may I just take a few seconds to congratulate the hon. member for Peace River (Mr. Baldwin) on initiating this interesting procedure, and to stake a claim for one of our grievances the next time this opportunity occurs.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: I rise on another point of order, Mr. Speaker, which may have more attraction for the President of the Privy Council. Would he be good enough to indicate to the House the business he intends to proceed with on Thursday of this week?

Mr. Sharp: As the House is aware, Mr. Speaker, tomorrow is another allotted day, and I understand there will be a motion by the NDP. On Thursday we will call Bill C-47 amending the Judges Act.

Mr. Knowles (Winnipeg North Centre): Not another one of those?

Mr. Sharp: If we conclude that on Thursday we will go on with the salaries bill dealing with Lieutenant Governors.

Mr. Knowles (Winnipeg North Centre): Oh, no!

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

IMMIGRATION—VIETNAMESE REFUGEES—GOVERNMENT POSITION ON REQUESTS BY OTHER COUNTRIES THAT CANADA ADMIT CERTAIN NUMBER

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I wish to obtain a reply to the supplementary question I posed on May 1 asking whether the Canadian government has approached, or will be approaching the new government of South Viet Nam with a request to allow relatives of Canadian Vietnamese to immigrate to Canada. The Minister of Manpower and Immigration (Mr. Andras) referred this question to his colleague, the Secretary of State for External Affairs (Mr. MacEachen).

My supplementary question was prompted by disturbing press reports about the chaotic circumstances surrounding the abrupt withdrawal of Canadian diplomatic personnel from Saigon on April 24, 1975, five days before the official surrender of the Government of South Viet Nam to the P.R.G. As a result, more than 3,500 sponsored or nominated relatives of Canadian residents were stranded in South Viet Nam. I hope that they are not abandoned.

Canada has an enviable record of humanitarianism. Our country has assisted in many ways in the reunification of thousands of families. Since 1946, 10 per cent of all immigrants to Canada have been refugees. This humanitarian tradition is the pride of Canadians, and a credit to Canada's enlightened and courageous governments.

This same humanitarian tradition must be carried on by our government by assisting sponsored and nominated Vietnamese relatives of Canadian residents. Canadian immigration officials sent over 3,500 letters to heads of families in Viet Nam promising Canadian visas. These people and their relatives in Canada are awaiting our government's action to help reunify their families. Canadians have a pride in their country's reputation for diplomatic excellence, and our government should not spare any effort, any peaceful avenue, to make known to the new government of South Viet-nam that we would like the stranded relatives of Canadian Vietnamese to be allowed to emigrate to Canada.

Furthermore, it has been reported that there are more than 30 Canadians in South Viet Nam, including some missionaries and their families. Their status is unclear. Their safety may be in danger. That is why I ask what the Canadian government is doing to assist these unfortunate people.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am very happy to have an opportunity to respond to the question put by the hon. member for Parkdale (Mr. Haidasz). His concern for humanitarian considerations, his concern for immigrants, and the special interest he has taken in immigrants to this country, both in his own constituency and in the country at large, are well known.

With regard to the question he has raised concerning the families and relatives of the Vietnamese people, the government is now considering the question of recognizing the new government in South Viet Nam and establishing diplomatic relations with that country. If diplomatic relations are established and a Canadian mission is sent to Saigon, the question of relatives of Canadian citizens being allowed to come to Canada would be a natural subject for discussion in view of the government's well known policy of encouraging the reunification of families of Canadian citizens.

PUBLIC SERVICE—NURSES IN HALIFAX—REQUEST FOR CONSIDERATION OF WAGE PARITY IN VIEW OF POSSIBLE STRIKE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I live in a part of Halifax which is a block away from the Camp Hill Veterans Hospital. This is an ancient structure not in the style of the modern hospitals. Fortunately it is to be replaced soon. If one goes over there, as I do about 20 times a year, one will find that the veterans are complaining about a good number of things, but I believe this is in the tradition of veterans. The one thing they have never complained about is the quality of the nursing services they have received from the dedicated women whose case I wish to bring before the House this evening.

I have been there and I have seen men, in the last stages of going out of this world, surrounded by these angels of mercy. These are scenes I find impossible to describe in this House, but which will be written on my heart and my mind until the end of my days. Therefore I have no hesitation, and indeed I have a great deal of willingness to enter into the battle on behalf of these people. I feel that their pay position is bad, and I hope that sometime I will be able to tug sufficiently at the strings on the heart of the President of the Treasury Board (Mr. Chrétien) in order to correct it.

For years the Conservative candidates in Atlantic Canada have stood for the removal of these iniquitous regional inequities, and in the last election campaign we were joined by our friends from the other side. Liberal candidates meeting in Halifax expressed their support for a full examination of existing regional wage policies to ensure greater equity for all within the federal public service. This included such senior adornments as the Secretary of State for External Affairs (Mr. MacEachen) and the Minister of Regional Economic Expansion (Mr. Jamieson), plus the more junior ministers, the Minister of State (Fisheries) (Mr. LeBlanc), and the Minister of Veterans Affairs (Mr. MacDonald).

There were 32 Liberal candidates who took those words forth on the hustings in the last federal election and, given the circumstances of that election, this immediately became translated into removal of regional wage discrimination and inequity. But we now know that those were very hollow words indeed because only recently the nurses at Camp Hill Hospital, and other nurses, continued their fight to remove these inequities by making public protests, one day strikes and the like.

It is a fact that in 1964 there were about 25,000 in the federal government employment staff who received regional rates, and in 1974 under the "just society" this number was 48,300, almost twice as many. The actual increase was from 15.5 per cent of strength to 19.5 per cent of strength. I provide these figures thanks to my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall), who has pursued this with the help of a member of his staff named Henry Brown with remarkable vigour and strength of purpose.

It is no wonder then that Halifax nurses at Camp Hill Hospital and nurses in other parts of Canada can complain, but in the case of Halifax their complaint is not only that the nurses there are not receiving the average for federal nurses across Canada, they are not even achieving what is paid to provincial nurses, and yet the President of the Treasury Board, the present incumbent in that position, in writing my colleague on March 4 said that:

> The Treasury Board, as the employer, seeks to pay public servants rates of pay comparable to those paid by other employers for similar occupations.

That is simply hogwash as it concerns the nurses at Camp Hill Hospital. On May 1, 1974, I wrote to the then president of the treasury board, the hon. member for Westmount (Mr. Drury), and I quote:

> Dear Mr. Minister:
>
> Two wards at Camp Hill Hospital are now closed because of a shortage of nurses. Surely this cries for a whole new approach to a federal policy which is driving nurses away from the employ of the federal government.

Nothing has happened to alleviate that particular situation. The number of wards occupied at Camp Hill Hospital is still down, and there are still vacant wards, vacant beds and vacant space, at a time when veterans are growing older and when there is obviously more of a cry for medical attention for them. If this does not tear at the conscience of hon. members, I do not know what can.

Finally, a doctor from Halifax who is a very respected member of the medical community, has written me about the salary policy of the federal government, and I quote:

● (2210)

> When they come down east, the game has a new set of rules. The principle now is to pay regional pay rates, and not a consistent rate across the country. Thus they can pay federally employed nurses at Camp Hill Hospital the relatively low regional rates, rather than the much higher salary scales paid to federally employed nurses in Ontario. Paying federal employees on regional pay scales seems a clear principle as well.
>
> But how come the rules change according to the circumstances?

He writes more than that, but that is the question I pose in winding up these remarks. My argument is not only to overcome the disparity that exists between nurses federally employed in the Halifax area and their sisters in provincial employ, but also between these federally employed nurses and their sisters employed elsewhere in Canada.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to respond to the hon. member for Halifax-East Hants (Mr. McCleave). His concern for his contituents in that area is commendable. The pay policy is a regional one, that is, people employed in one area of the country will be paid rates comparable to rates in the private sector and other wages in the area.

The pay proposal of the Treasury Board for the majority of nurses in the Halifax area represented 26.1 per cent in the first year and 12.7 per cent in the second, retroactive to December 30, 1974, with considerable improvements in vacations, which in fact provides not only comparability but parity with nurses employed by the provincial governments.

This, as part of the total Treasury Board offer, was seen to be "fair and reasonable" as a basis for comparability by all three members of a recent conciliation board, including the nurse's own representative, the president of Quebec Nurses Inc. This unanimous conciliation board report has been accepted by the Treasury Board but has not yet been sent to the nurses for ratification by the professional institute.

NATIONAL PARKS—TOLLS ON RIDEAU-TRENT-SEVERN WATERWAY—POSSIBLE CONSULTATION WITH CORTS COMMITTEE BEFORE IMPOSITION

Mr. P. B. Rynard (Simcoe-North): Mr. Speaker, my question for the Minister of Indian Affairs and Northern Development (Mr. Buchanan) follows on one asked by the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack) concerning the authorization of the first ever tolls on the Rideau-Trent-Severn waterway.

I am particularly disturbed about this toll on a waterway that was used first of all for military purposes, then for commerce and trade, and goes through the heartland of Ontario connecting Lake Huron and Georgian Bay with Lake Ontario. It travels for a couple of hundred miles through some of the most scenic and agricultural country in the world. There are two very fine lift locks which people come hundreds of miles to see, and the waterway serves a population of over 60 million people.

I think this is a very backward step on the part of the minister. At one time there were tolls on the roads in Ontario—the last one at Bradford about 40 miles north of Toronto. At one time it was used for oxen and horses and carts, but the toll was abolished because the province began to build highways into the north country to develop it. The main waterway we had then was the one which connected Lake Ontario to Georgian Bay and went from Trenton along Lake Ontario to the Ottawa River, down to the St. Lawrence. This is a particularly historic area and I am amazed that the minister would impose this toll without consulting parliament or consulting the CORTS Advisory Committee which was appointed by the province to work in conjunction with the federal government.

I suggest that at no time has the CORTS Advisory Committee advised the imposition of tolls. Rather, it boasts of the fact that here was an area which people could enjoy, an area rich in history. And it has a great history. Hon. members who know their history will recall that Champlain came to Georgian Bay, and established the first white man's agricultural land on the north American continent. We look with pride on our history; we look on this land with a sense of history, knowing it was used by Indians before Champlain came there. Yes, Champlain himself stopped over in that area of the country I have the

honour to represent. It seems sacrilegious for someone now to come along and say that we must impose tolls on the canal. The tolls are for what? We are proud of this area. This land is part of Huronia. The settlers who came to the area built up Canada. Now those who want to use the waterway are to be taxed.

Mr. Paproski: Shame!

Mr. Rynard: I regret that the minister did not see fit to consult the CORTS Advisory Committee, and ask it what it thought was the best thing to do. After all, the committee did not meet all that long ago. I think that you, Mr. Speaker, were a member of this House when Mr. Pickersgill said in this House that this area is a great tourist attraction and has brought the province a great deal of money. Many people are attracted to the area. He suggested that Uncle Leslie, that great premier of Ontario who has since gone to his reward and who won the respect of Liberals, Conservatives and NDP members, should be given a suitable birthday present. He was to be asked to carry on the tradition of this province in a suitable and honourable way. This was not done.

Previously, action was taken under the Conservative government of the right hon. member for Prince Albert (Mr. Diefenbaker). That government, in its wisdom, set aside $20 million for the repairing of the Rideau-Trent-Severn waterway. Two locks were to be put in. Let me be fair to those members of the Liberal party who acted on this matter. Hon. George McIlraith, now a member of the other place, looked at plans concerning the waterway system and told me personally that what was proposed was good, that the plan was good, and that so far as he was concerned as minister, the plans would be carried out. I go further and say that the plans were carried out to the letter. Now a minister without sense of history has come along and is doing things differently. Perhaps he does not know the history of the area as perhaps you, I, and others in Ontario and Quebec know it. Perhaps he has lost perspective, has forgotten history. I suggest that those who forget the past can never deal with the future.

The government has already taxed the voters of the area in connection with certain changes which have been made. Now the minister is proposing another tax, a toll to be levied on those who use the waterway. I remind that House that people have built cottages along the waterway. They rented the land from the Department of Transport and paid taxes on it. Incidentally, the rent was recently increased. Those people experienced difficulties in carting the lumber to the area. They hewed down trees of the forest in order to build their houses. Now, if they want to use their cottages and they have no roadway in, they must pay a toll. In my opinion this is deception. I am a bit disturbed and a little disappointed that the minister has put on this tax.

● (2220)

In conclusion I want to ask some questions. What is the minister going to make out of this? What amount of money is he going to collect on it? What is he going to pay for the services he is giving? Where is that money to be spent? Is it to be spent on the Trent Canal, or not? The minister has not given any satisfactory answer to those questions.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his comments. The hon. member for Simcoe North (Mr. Rynard) raised the matter of the relatively recently constituted CORTS Advisory Committee not having been consulted by the Minister of Indian Affairs and Northern Development (Mr. Buchanan) in the matter of fees being charged on the Rideau-Trent-Severn waterway.

The CORTS Advisory Committee is a body of ten private citizens, five appointed federally and five provincially, to advise the federal and provincial ministers of the public response to programs and developments in the canal corridor. Treasury Board had approved the increase in Parks Canada user fees for national parks, national historic parks and sites and canals on February 4, 1975. The CORTS Advisory Committee was created by the signing of the CORTS Agreement on February 20, 1975. Therefore consultation was impossible. The fees which Parks Canada is charging are not limited to the canals, but apply throughout the program. They are based on the recovery of a portion of the annual costs resulting from a major capital investment program of $376 million during the next five years. In the case of canals, the cost recovery is estimated to be 7 per cent of the annual operating costs of the canals.

It would be incongruous for the government to apply new or increased levels of fees for national parks and sites throughout Canada while leaving the canal's activity free from similar charges. It is a modest return on investment made by and for Canadians. The money is to be used to improve the system and to preserve the history of which the hon. member speaks so eloquently.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

Motion agreed to and the House adjourned at 10:25 p.m.

HOUSE OF COMMONS

Wednesday, May 14, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CONSUMER AFFAIRS

PROPOSED INVESTIGATION OF BANKRUPTCY OF SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, involving the bankruptcy of an organization called the Society for the Study of the Heritage of Canada which is being investigated by, among others, the hon. member for Kootenay West (Mr. Brisco), some of whose constituents are affected; he is presently in Toronto pursuant to this matter. As large sums of money are involved as well as government departments, and as very reputable persons have been involved as advisers from various fields of endeavour, including athletics, entertainment, parliament and Air Canada, and they probably have been deceived, I move, seconded by the hon. member for Okanagan Boundary (Mr. Whittaker):

That the Secretary of State, or the Minister of Consumer and Corporate Affairs immediately take the same course of action as their colleague, the Minister of Transport, and cause an investigation to be commenced, and report to the House at the first opportunity.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

SUGGESTION HOUSING PROGRAM NOT BE IMPLEMENTED WITHOUT CONSULTATION WITH NATIVE ORGANIZATIONS—MOTION UNDER S.O. 43

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, under the provisions of Standing Order 43 I request the unanimous consent of the House to move a motion of pressing and urgent necessity. Given that the government has admitted that its present policy on native housing is a costly failure and since native people were not adequately consulted at the time the program was devised, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That any revised policy for native housing be not implemented without full consultation and agreement in principle with the National Indian Brotherhood and the Native Council of Canada.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please.

* * *

FISHERIES

PROPOSED INVESTIGATION UNDER COMBINES ACT OF PRICES OFFERED TO LOBSTER FISHERMEN—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise on a third motion under Standing Order 43, to present a matter of urgent and pressing necessity. I am sure the House will recognize its importance and give unanimous consent. It has to do with prices being offered to lobster fishermen by buyers in the Atlantic region. Prices vary by as much as 150 per cent. This places the fishermen at the mercy of the buyers, who are evidently combining to take advantage of the fishermen.

As the price of $1 per pound being offered in Newfoundland does not even cover the basic costs of the fishermen, I move, seconded by the hon. member for St. John's West (Mr. Carter):

That the government direct the Department of Consumer and Corporate Affairs to investigate the matter under the Combines Investigation Act and that, if such practice is confirmed, the buyers be charged with unfair practices, or ordered to pay fair prices in line with market demand.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and therefore requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF THE REPUBLIC OF UPPER VOLTA, HIS EXCELLENCY GENERAL EL HADJ ABOUBAKAR SANGOULÉ LAMIZANA

Mr. Speaker: Before commencing with the question period, may I call the attention of the House to the presence in our gallery of a very distinguished visitor, His

Excellency, General El Hadj Aboubakar Sangoulé Lamizana, President of the Republic of Upper Volta.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR CONFIRMATION OF REPORTED ATTACK ON CAMBODIAN NAVAL VESSELS BY UNITED STATES AIRCRAFT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask either the Prime Minister or the Acting Secretary of State for External Affairs for a little more information about reports saying that United States Air Force aircraft have attacked and possibly destroyed Cambodian naval vessels in the Gulf of Thailand. Has either hon. gentleman any information to give the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no information on this. Perhaps the Leader of the Opposition will direct his question to the Secretary of State for External Affairs, who is expected back in the House in a few minutes.

* * *

THE CANADIAN ECONOMY

DECLINE IN PRODUCTION—GOVERNMENT MEASURES TO COUNTERACT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Minister of Finance concerning the revelation that output in the Canadian economy for the first quarter of this year declined by some 2.8 per cent, or, averaged over the year, at the rate of 11 per cent. Since this is the third quarter in a row in which there has been either no increase in output in Canadian economy, or a decline, will the minister inform the House if he intends to bring forward specific measures which will help in what is clearly a major recessionary period?

● (1410)

Hon. John N. Turner (Minister of Finance): Without accepting the preamble of the hon. member's question, Mr. Speaker, a proper response would be on budget night.

Mr. Broadbent: Mr. Speaker, I somewhat suspected that answer. I wish to direct my supplementary question to the Minister of Industry, Trade and Commerce since a good part of the responsibility for this totally unacceptable situation in the Canadian economy must reside with him. Apart from budgetary matters, can he inform the House what his department plans to do to reverse this unfortunate situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, this year we probably have the most impressive list of foreign trade initiatives that the government has ever put forward. We have more outgoing missions than at any time in the past. We have more incoming missions. I will be meeting with the French minister, the Iranian group, the German minister, and a very large delegation from Russian within the next six weeks. We are participating in, and I will check this figure, better than 100 separate fairs and missions abroad. We are trying to develop exports in both our traditional and non-traditional markets.

Some hon. Members: Hear, hear!

Mr. Broadbent: Apart from incoming and outgoing missions, can the minister inform the House of one, and I do not ask for more, concrete program the government has embarked upon on which he can give us information as to an increase in sales or leading to an increase in productivity in the Canadian economy?

Mr. Gillespie: Mr. Speaker, on a very recent mission to Cuba and Venezuela, we signed $25 million worth of business in Cuba and $25 million worth of business in Venezuela. We identified very close to $1 billion worth of potential business. The hon. member may recall that last week I signed a $500 million line of credit with the U.S.S.R.

Some hon. Members: Hear, hear!

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. As the measures which the minister has been outlining to the House for the past three years have produced in the last 12 months two periods of zero growth, a third quarter with a decrease of 1.3 per cent and the final quarter, which we have just gone through, with a decrease of 2.8 per cent, will the minister tell the House what he is going to do in the near future in the way of introducing really effective measures, as the measures he has been adopting and is proposing at the present time have not done anything to improve the economy in any way, but have depressed it considerably in the past 12 months.

Mr. Speaker: Order, please. That kind of question lends itself to debate, discussion and argument. I think it ought to be avoided so that we will not get into any long-range discussion.

● (1420)

Mr. Hees: As we were given exactly the same kind of meaningless promises before each of the last three budgets, namely, that the government intended to bring in measures to stimulate the economy, and since the economy has continued to decline—

Some hon. Members: Question!

Mr. Hees: —can we expect something better this time or will the same kind of fiasco be produced when the minister brings down his budget in June?

INFLATION—REQUEST FOR STATEMENT ON RESULTS OF MEETING WITH BUSINESSMEN SEEKING CONSENSUS ON RESTRAINT

Mr. James Gillies (Don Valley): Mr. Speaker, my question, too, is directed to the Minister of Finance. Can the minister tell us the results of his meeting this morning with an undoubtedly distinguished though unidentified, group of Canadian businessmen?

Hon. John N. Turner (Minister of Finance): The names may not be known to the hon. gentleman but they were made public; I invite him to go through the names to see what a representative group of businessmen they were. I was accompanied by my colleagues, by the Minister of Labour, by the Minister of Regional Economic Expansion and by the Minister of Industry, Trade and Commerce.

Mr. Baldwin: Worse and worse!

Mr. Turner (Ottawa-Carleton): We had a good general review of the proposals in the working papers which the government has distributed to various sectors of the economy. Suggestions were made by the business leaders for improvements to these papers. Universal concern was expressed by the meeting about the state of the economy if we are not able to get prices and competitive costs under control. We discussed a wide variety of options which might be available to the government as remedies for the situation. I think my colleagues and I were generally encouraged by the positive tone of the meeting and by the willingness of the business leaders to continue these discussions.

Some hon. Members: Hear, hear!

INFLATION—REACTION OF BUSINESSMEN TO POSSIBLE IMPOSITION OF WAGE AND PRICE CONTROLS

Mr. James Gillies (Don Valley): During the course of the discussions was the issue of compulsory controls touched upon and, if so, what was the response?

Hon. John N. Turner (Minister of Finance): No general proposition to that effect was put forward. As I say, a wide range of options and remedies was discussed.

Mr. Gillies: Given the fact that it is generally conceded to make a program of compulsory controls work, there has to be confidence that the people responsible for them support them and favour them. If the government should opt for some compulsory program, would the Minister of Finance feel both morally and intellectually obliged to resign?

Mr. Turner (Ottawa-Carleton): That is a hypothesis loosely constructed on the basis of another hypothesis, a question I have no chance of answering.

INFLATION—INQUIRY AS TO GUIDELINES PRESENTED TO BUSINESSMEN DURING MEETING SEEKING CONSENSUS ON RESTRAINT

Mr. James A. McGrath (St. John's East): When the hon. gentleman met with the representatives of organized labour, he put forward suggested guidelines within which organized labour was to operate as an exercise in voluntary restraint. May I ask the minister what guidelines he presented this morning to the representatives of the business community?

Hon. John N. Turner (Minister of Finance): I do not want to adopt the vocabulary of the hon. member, but the proposals and working papers before the meeting this morning were the same as those tabled in the House last week.

* * *

[*Translation*]

FINANCE

SUGGESTED REDUCTION OF INTEREST RATES TO CURB UNEMPLOYMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the Minister of Finance.

In view of the fact that the number of loans made by the Industrial Development Bank has been drastically reduced over the last few months, would the minister tell the House whether he is ready to recommend a lowering of interest rates in order to entice industries to take advantage of that legislation, thus helping to relieve the serious unemployment problem?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the matter of interest rates has been clarified very recently by the Governor of the Bank of Canada. In principle, we are somewhat affected by international rates. It is also obvious that the problem raised by the hon. member will be clearly dealt with in the next budget.

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

I thank the minister for his very earnest answer. The situation being serious and urgent, will more beneficial measures than those we now have be brought before Parliament in order to stimulate further the development of small businesses in our country, which employ at least 60 per cent of working Canadians? Since small businesses are facing financing problems and are sometimes forced to borrow at usurious rates, would the minister be prepared to introduce measures likely to give them the benefit of loans at interest rates in line with their possibilities and their return?

Mr. Turner: Mr. Speaker, the answer about the fiscal and monetary aspects will necessarily be given in the budget. As for small businesses, especially those having between 10 and 100 employees and which, as the hon. member said, account for 60 per cent of jobs in Canada, the government takes a particular interest in them. When the last budget was introduced, we raised the exemption amount from $25,000 to $50,000 for the special rate granted those businessmen, as well as the gross amount, from $400,000 to $500,000, and I subscribe to the principle on which the hon. member's question is based.

Oral Questions

METHOD OF RESOLVING PROBLEM OF HIGH INTEREST RATES

Mr. André Fortin (Lotbinière): A supplementary question, Mr. Speaker.

Would the hon. Minister of Finance explain to the House how he can say, on the one hand, that there is no way he could limit the interest rate increases on housing and industrial loans, because they are international woes, and claim, on the other hand, that his forthcoming budget will settle this problem?

How can he explain that his budget will bring a solution to an international problem, if this is really one? Or can he assure the House that this time his budget will serve the interests of Canadians, rather than those of foreign countries?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, this question is so very well put together that it deserves a longer reply than I could make this afternoon. But perhaps I will say a few words about this during my budget speech.

* * *

[*English*]

FEDERAL BUSINESS DEVELOPMENT ACT

DATE OF PROCLAMATION

Mr. J.-J. Blais (Nipissing): Mr. Speaker, my supplementary question is addressed to the Minister of Industry, Trade and Commerce. In view of the fact that, notwithstanding the lowering of the number of loans made through the IDB in the rest of Canada, in northern Ontario there has been an increase in loans, and in view of the opportunities for lending to small businesses, would the minister indicate when the Federal Business Development Act will be implemented and proclaimed?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I expect it will be proclaimed on July 1.

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HARBOURS

MONTREAL—ABILITY OF MARITIME EMPLOYERS' ASSOCIATION TO MEET LOAN COMMITMENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport and arises out of a question I asked yesterday respecting certain loans incurred by the Maritime Employers' Association in connection with their operations in the river ports. The minister indicated yesterday that he might be in a position to inform the House whether or not the Maritime Employers' Association had come to the government seeking some relief under their obligations to the National Harbours Board and whether or not, at the same time, the Maritime Employers' Association had given the government any indication whether or not they were able to meet their commitments to the banks, or at least that portion of their commitments to the banks for which the government has issued guarantees.

[Mr. Turner (Ottawa-Carleton).]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, at the end of the afternoon yesterday I thought I would have some information. I do not know what the situation is at the moment, but what I heard this morning was that they were still negotiating with the banks and National Harbours Board to see how the MEA can operate and meet its obligations. As soon as I have the information, I will be ready to communicate it to the hon. gentleman.

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EXTERNAL AFFAIRS

REQUEST FOR CONFIRMATION OF REPORTED ATTACK ON CAMBODIAN NAVAL VESSELS BY UNITED STATES AIRCRAFT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he is aware of reports that United States aircraft have destroyed a Cambodian naval vessel in the Gulf of Thailand, and can he give the House any information in this regard?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have just been made aware of these reports which apparently have been confirmed by United States authorities, but we have not had an opportunity to study the details of the incident in order to make any thoughtful comment on the situation. It would be possible after we have informed ourselves and given the matter some thought to make some comment. Obviously, this is a matter of concern.

INQUIRY AS TO WHETHER CANADA INFORMED PRIOR TO ATTACK ON CAMBODIAN NAVAL VESSELS BY UNITED STATES AIRCRAFT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, was the government of Canada advised officially that these measures would be taken before they were taken or at the time they were being taken, and did United States authorities give the government of Canada any explanation as to the reason for the action or the scope of it?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have just made inquiries since I came into the House on this point. When I have some information I will be happy to give it to the House. Up to the present time my only information is that I understand the State Department has confirmed to us that this action has been taken. I would have to ask for further details when I have the opportunity in order to provide effective information.

AIR TRANSPORT

FIXING OF FARES BY AIR LINES—REQUEST FOR DELAY IN HEARINGS SO CONSUMERS' ASSOCIATION CAN PRESENT EVIDENCE

Mr. Jack Murta (Lisgar): Mr. Speaker, in light of confirmation by the minister that the air lines have been involved over the past while in fixing fares, and noting that the air lines have been working together for several months preparing their case for the hearings presently going on before the CTC while interested parties have only had some 30 days to appeal, will the Minister of Transport urge the President of the CTC to reverse his decision and comply with the request of the Consumers' Association in the four western provinces to postpone the hearings for two or three weeks until the provinces and the Consumer Association of Canada have more information to present to the hearings?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the only thing I did was intervene in order to have certain fares decreased because they really were too high, and the air lines accepted that decrease in a certain number of fares. If somebody wants to appeal the decision of the CTC there is a procedure to do so under the law. It is not my responsibility to do so, but rather the responsibility of other organizations.

Mr. Murta: Mr. Speaker, in view of the fact that the organizations involved in the appeal feel they have not sufficient time to prepare a proper brief, and since the annual report of Air Canada, which contains financial information that is required by the provinces and other interested parties, was only tabled last week, will the minister personally intervene in order to allow a fair hearing in respect of this whole matter of air fare increases?

Mr. Marchand (Langelier): Mr. Speaker, if I am given any evidence that someone is interested in appealing the decision of the CTC, and the only problem is one of time, perhaps then I could intervene and ask the CTC to extend the time until they are ready. Up to now, the only one who has spoken to me about this is the hon. member.

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AIR CANADA

REQUEST FOR DELAY IN APPLICATION FOR FARE INCREASES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in view of the fact that the Minister of Transport was successful in his intervention in respect of the proposed increases on short routes in the golden triangle, that is Montreal, Ottawa, Toronto, will he now use his good offices to ask Air Canada if it is prepared to withhold its application for an increase, particularly in view of the disclosure today that the golden triangle rates are riding on the backs of and at the expense of prairie rates in western Canada? I wonder if the minister would ask Air Canada to wait until we get equalization of rates based on cost as opposed to this structure we now have.

● (1430)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this method and this law has existed now since 1968. There is a procedure that has been established. It has been recognized by this House and never contested. I do not say we will not propose an amendment because I think there are some shortcomings, but I am not ready to do it at this moment.

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FINANCE

REASON FOR DELAY OF REPORT ON TAX CONCESSIONS AND FAST WRITE-OFF TO MANUFACTURING AND PROCESSING INDUSTRIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Finance. It is a repetition of the question I asked the Prime Minister on Monday. In view of the decline of industrial output in this country I should like to ask the minister now if he could explain the reason for the four and one-half month delay in the tabling of the final report on the tax concessions to the manufacturing and processing industries. While he is on his feet, in addition to informing us why there is that delay can he tell us when that report will be tabled?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am sorry I was not in the House to handle that question on Monday. The additional time taken to complete the final report on the corporate tax measures review has been due to a number of factors. I think I told the House earlier that the originally intended mailing date for the second and final survey of the Canadian manufacturing and processing firms was postponed because of the election last summer. We did not think it was appropriate to send out those questionnaires at that time and so they were not mailed until after the election. I have already conveyed that to the House. This later mailing did cause a further delay in that in many cases these firms were unable to respond as quickly as they might have otherwise due to shortage of key personnel who were on summer vacation after the election. More recently additional time has proven necessary to complete all the additional analyses which the committee wished to carry out for the purpose of the final report. The report is now in its final stages and I am advised the committee expects the report to be ready for tabling within a month.

Mr. Speaker: One supplementary by the hon. member for Yorkton-Melville.

Mr. Nystrom: Mr. Speaker, I should like to ask the Minister of Finance whether or not he can tell us if he expects that report to demonstrate the effectiveness of the tax concessions in creating employment or whether or not he can tell us that that might not be the reason for the report being delayed as we have heard in our party from this department.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the question is posed in cynical terms, and I could not reply to it except by saying that it will be tabled within a month.

Then the hon. member is free, as he always is, to draw his own conclusions.

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PUBLIC SERVICE

DATE OF PAYMENT OF WAGE INCREASES TO GENERAL LABOUR AND TRADES GROUP

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Minister of Supply and Services. Would he please tell the House when arrears of pay and current increases in pay negotiated in the settlement of March 19 of the strike of the general labour and trades group will be paid?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, in fact, every department must forward to my department the payroll in order to allow the issuance of cheques. Now, it is a complicated task since approximately 21,000 employees are involved and they are paid according to certain varying rates and are working within different sectors within which rates vary too. The collective agreement has changed the definition of sectors, which complicates the task further.

It has been said, when the collective agreement was signed, on March 28, that it would take 90 days to issue the cheques. But, as a matter of fact, I can inform the House that the tradesmen will be paid according to the new agreement: 5,000 will be paid on May 16 and others on May 30. As for retroactive payments, most of the employees will receive their cheques around May 30, and others around June 28.

* * *

[*English*]

TRANSPORT

DREDGING CONTRACT TO J. P. PORTER, McNAMARA AND MARINE INDUSTRIES—RELATIONSHIP BETWEEN DEPARTMENTAL ESTIMATE AND AMOUNT OF CONTRACT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport. Yesterday I asked the minister if the three-year contract awarded to J. P. Porter Limited, McNamara Company Limited and Marine Industries Limited by his department on August 30, 1971 in the amount of $20,860,000 was identical in value to the estimate prepared by his officials covering the removal of some 14 million cubic yards of material at Île d'Orleans and the minister promised to make this information available to this House after he checked with his officials. Has he now checked or investigated this matter and was the estimate of the departmental officials for this work identical to the amount of the contract awarded to the three companies in the joint venture.

Hon. Jean Marchand (Minister of Transport): Well, without checking the contract itself, I should say I was told that probably the hon. gentleman is about right, that there is a coincidence between the two amounts. Perhaps the hon. gentleman would be kind enough to give me time to re-check. I did not do it last night. I just checked the Hamilton case and the Toronto case. The hon. member can read the answer in *Hansard*.

Mr. Crouse: Mr. Speaker, will the minister make this available to us as soon as he has checked?

Mr. Marchand (Langelier): I have no objection to it.

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THE CANADIAN ECONOMY

SUGGESTED RESTRAINT IN INCREASE OF MONEY SUPPLY—MINISTER'S VIEW OF LABOUR'S SHARE OF GROSS NATIONAL PRODUCT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. As Federal Reserve Chairman Burns in the United States has indicated to Congress that the money supply in that country will increase by only 5 per cent to 7½ per cent in the current year has the minister received any similar assurance from the Governor of the Bank of Canada that our money supply increase will be similarly restrained, and if so has he conveyed this commitment to those he meets in his consensus talks?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman put this type of question to the House before. Over the whole 12-month period ending March, 1975, the increase in the money supply series has been 12 per cent, M-1, a figure which appears to be within the range that is reasonable in the circumstances in terms of the nominal growth of the economy.

Mr. Stevens: I have a supplementary, Mr. Speaker. In line with the minister's consensus talks and in view of his speech in Sarnia in which he pointed out to labour that its share of the gross national product had jumped up to 54.9 per cent as of the last quarter of 1974, would the minister indicate whether he believes labour is receiving a fair share of the gross national product of this nation? As this figure has increased fairly steadily since 1963 to the 55 per cent level, does he now feel that it should be capped out?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that question is posed in the wrong terms. It depends very much on the state of the economy, our productivity and our standard of living at the time.

Mr. Speaker: A final supplementary by the hon. member for York-Simcoe.

REASON FOR MINISTER'S REFUSAL TO APPEAR BEFORE COMMITTEE

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, since during May the minister has met with labour and business representatives in Ottawa and other centres, and with the Sarnia-Lambton Liberal Association, would he indicate why he has declined an invitation to appear before the Committee on Finance of this House, in spite of the fact that every available day and time was offered to him for his appearance.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have appeared before that committee on four occasions in the last two months, including two appearances just before I left for the Middle East. I think, despite the invitation of the committee at the moment, that the traditional discretion left to the committee and the Minister of Finance prior to the budget should be observed. When that budget is over, I will be back and I hope the hon. member shows up from time to time.

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SPORTS

SUGGESTED STUDY BY SOLICITOR GENERAL OF COMMON ASSAULTS OCCURRING DURING HOCKEY GAMES

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to direct a question to the Solicitor General. In view of the fact that Canada's hockey season is now drawing to a close will the minister endeavour to establish a study to ensure that starting next year there will not be a continuation of common assault taking place on the ice that we would not allow outside the hockey arena.

Mr. Speaker: Order, please. I have serious reservations concerning whether that question comes within the administrative competence of the Solicitor General.

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ADMINISTRATION OF JUSTICE

LAW ENFORCEMENT INTELLIGENCE UNITS—SUGGESTION UNIT HAS BEEN SPYING ON CITIZENS WITH NO LINKS TO ORGANIZED CRIME

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is also for the Solicitor General. It concerns the law enforcement intelligence unit, a co-operative international police data bank, that has about 19,000 files on Canadians and Americans in its computer. May I ask the minister, in light of the fact that several Canadian organizations, including the Department of Manpower and Immigration, the Ontario provincial police and the Toronto and Montreal police, are members of the LEIU, has the Canadian government investigated the allegations by the Houston police department that LEIU has been spying on legitimate businessmen and other citizens with no links to organized crime or subversive groups, and can he assure that the allegations by the Houston police department are without foundation?

● (1440)

Hon. Warren Allmand (Solicitor General): That is a very specific and detailed question to which I will get the answer from the RCMP.

[*Translation*]

ENVIRONMENTAL AFFAIRS

POSSIBLE ESTABLISHMENT OF REFINERY AT ANACORTES, WASHINGTON—POLLUTION HAZARDS IN JUAN DE FUCA STRAIT

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

Has she been made aware of the information from the West coast of the United States, whereby Shell intends to establish a new refinery at Anacortes in the State of Washington. That refinery would be supplied with Alaskan crude oil, thus requiring increased shipments across the Juan de Fuca Strait by large tankers, which would therefore create further threats to the environment?

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, I think that the hon. member goes beyond the statements of the said company which has submitted a report on a number of alternate sites for a reloading port for supertankers. In fact, it has been decided that the port in question would be the most suitable for those kinds of activities. There is no intention at all for the time being to build a harbour there. Should such a decision be taken or even contemplated, we would object quite strongly.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I have a supplementary. Does that mean that the minister does not intend to protest in advance?

Mrs. Sauvé: Mr. Speaker, it is difficult to protest when no serious intention has been expressed of really going ahead with the construction of the port.

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[*English*]

PUBLIC SERVICE

NURSES—MINISTER'S VIEW ON WAGE PARITY WITH PROVINCIAL NURSES AND PAYMENT ON NATIONAL RATHER THAN REGIONAL SCALE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question and a supplementary to ask of the President of the Treasury Board and it is in relation to the current labour dispute of the federal nurses. Does the minister accept and support the concept of parity with nurses working under the jurisdiction of the provinces, and is he aware of the fact that a contract is now being negotiated on behalf of nurses in Nova Scotia which would be retroactive to January 1 of this year, thereby destroying any basis for parity for federal nurses before it is granted?

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I said before in the House that this was a unanimous report and the union representative on the Conciliation Board agreed with the other two members, after studying all the facts, that this package should be accepted for all the nurses across Canada. The federal nurses represent only two per cent of all the nurses. So far as the supplementary question is concerned, the answer is no.

Mr. Speaker: Now that the hon. member has the answer, would he put the question?

Mr. Firth: Mr. Speaker, it seems to me that I should not give too much notice of the questions I wish to ask.

My supplementary question is whether the minister has considered paying nurses on a national scale rather than a regional scale to bring the department's pay practices for this group in line with almost, if not all, other groups in the Professional Institute? I thank the minister for the answer.

Mr. Chrétien: Mr. Speaker, I will give the proper answer.

[*Translation*]

No, Mr. Speaker.

* * *

[*English*]

TRANSPORT

POSSIBLE ESTABLISHMENT OF A NATIONAL URBAN TRANSPORTATION DEVELOPMENT CORPORATION—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the statements that have been made over the past three years, and continued negotiations with respect to the establishment of a national urban transportation development corporation, can the minister let the House know when that corporation will be established and when an announcement will be made on that matter?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the creation of this corporation is not only the responsibility of the federal government which will be only one of the shareholders of that corporation. Ontario has agreed to use its own corporation and to extend it nationally; Alberta already agreed, and so did many provinces. Quebec has not agreed as yet, and here in Ottawa we have not yet given any formal answer.

Mr. Baker (Grenville-Carleton): Can the minister assure the House that negotiations with respect to that subject are being carried on, and is it a fact that the difficulty in establishing the corporation is, as he said, that the province of Quebec has not yet agreed?

Mr. Marchand (Langelier): I think the Minister of Industry, Trade and Commerce met his counterpart in Quebec city and I think they found grounds for an understanding so that Quebec can come in. But the negotiations are not yet concluded because we are discussing among ourselves how the federal government will participate in this corporation.

[Mr. Chrétien.]

AIR CANADA

REQUEST FOR INVESTIGATION OF INTENTION TO SELL VISCOUNT AIRCRAFT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. Can he verify that Air Canada spent $273,000 overhauling each of the eight of the 24 retired Viscount aircrafts and are now considering a bid of $44,000 for each of the overhauled aircraft, and will the minister report the results of his investigation to the House?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I can ask for a detailed report. The only thing I know is that Air Canada has many problems selling the Viscounts which they have been repairing in Winnipeg. I do not say that the aircraft cannot be sold because of having been repaired in Winnipeg.

Some hon. Members: Better not say that.

Mr. Marchand (Langelier): The difficulty lies in the fact that the market for this type of aircraft is very tight and it is difficult to sell them.

Mr. McKenzie: Can the minister also check into the report that Air Canada is offering to sell the Viscounts to "Wings of Hope", a Montreal based charity organization operating mercy flights to Peru, and will the minister verify if Air Canada has cancelled this offer and, if so, for what reason?

Mr. Marchand (Langelier): I hope that some day employees in Winnipeg will be able to give me information as well as the hon. member on what is going on in Air Canada. However, I will check what the hon. member said and I will try to find someone who can provide me with the information.

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INDIAN AFFAIRS

CLOSURE OF OFFICE AT VERNON, B.C.—REQUEST FOR OUTLINE OF PLANS FOR FUTURE

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. After the recent forced closure of the Indian Affairs Office at Vernon, British Columbia, can the minister give the House any indication of the present status and future plans for that office?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, the indication to us from the various bands being served from that office is that they felt they could get along quite happily without its services. Therefore, in agreement with the request of the Indian people being served by the office, we closed it.

Mr. Johnston: I wonder by what means the minister has ascertained whether that was the decision of the people being served. However, I would like to ask whether all Indian Affairs offices in the country are as vulnerable as the one at Vernon, or have some been designated by the department as essential?

Mr. Buchanan: Mr. Speaker, the means of verification was the communication we had with all the bands through their chiefs in the area. They replied in the affirmative that they would like to see the office closed. So that is our present situation.

HOUSING—REQUEST FOR ASSURANCE OF CONSULTATION WITH NATIVE PEOPLE ON NEW POLICY

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Given that the government admitted in a cabinet document on April 4 that its native housing policy is a costly failure, a fact directly attributable to the lack of input to that program by the native people, would the minister give a commitment that he will not force any new housing policy on the native people which they feel it would be impossible to implement and which does not have their agreement in principle?

● (1450)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the hon. member is aware that the native people did, in fact, have input into that paper. They prepared a study which they presented to us a year ago and there have been ongoing consultations, the last one last week, with members of the National Indian Brotherhood Housing Committee and officials in the department.

Miss MacDonald (Kingston and the Islands): A supplementary question. Because the lack of adequate housing is one of the major social problems facing the native people, will the minister see that far more effort is made than there has been to date, to develop a program which relates to the culture and needs of the native people rather than to the dictates of CMHC?

Mr. Buchanan: Mr. Speaker, that is the reason we are currently having these meetings with the native people.

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BILINGUALISM

ALLEGED STATEMENT PASSAGE OF BILL 22 BY QUEBEC IS REFUSAL TO ACCEPT OFFICIAL LANGUAGES ACT—GOVERNMENT POSITION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the right hon. Prime Minister. On Friday, May 9, 1975 the Moncton *Times* reported Senator Louis Robichaud, former Liberal premier of New Brunswick, as saying that the passing of Bill 22 in Quebec to make French the official language could be interpreted as a refusal to accept the Official Languages Act. Would the Prime Minister please comment on whether he agrees with Senator Robichaud's conclusion?

Mr. Speaker: Order, please. Surely, the hon. member realizes that he is seeking information on the interpretation of a statute. One supplementary question.

Mr. Hogan: Could I ask the Prime Minister if the Senator was in any way interpreting government policy in this matter?

Mr. Speaker: Order, please. The hon. member for Brandon-Souris.

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ENERGY

NELSON RIVER POWER PROJECT—GOVERNMENT VIEW ON USE OF EQUIPMENT MADE IN CANADA AND TABLING OF CORRESPONDENCE IN MANITOBA LEGISLATURE

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Minister of Energy, Mines and Resources. Could the hon. gentleman inform the House whether the government of Canada is still carrying on negotiations with the province of Manitoba in connection with the supply of long-distance power transmission equipment for the Nelson River power project? If so, is the federal government's emphasis placed on Canadian content and the establishment of a plant in the province of Manitoba to provide this equipment?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there is no specific negotiation under way as there was in the past with respect to the extension of the Nelson River system. It is anticipated that there will be further discussion as further extensions of the system are planned, but the Manitoba government has decided to go ahead on its own now. As the hon. member will recall, if the bid with the highest Canadian content had been accepted by Manitoba hydro there was the prospect not only of more jobs in Canada but of the establishment of the plant at Brandon. I believe, as a result of the Manitoba decision, that plant will not go ahead at Brandon.

Mr. Dinsdale: A supplementary question. Is the federal government withholding its approval of the tabling of documents on this subject in the Manitoba legislature?

Mr. Macdonald (Rosedale): No, sir, we are happy to table exchanges in this regard. What we asked Manitoba to do was table additional documents so that the full record would be out in the open.

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EXTERNAL AFFAIRS

SUGGESTED UNITED STATES SUPPORT FOR COMMONWEALTH PLAN TO CLOSE GAP BETWEEN RICH AND POOR NATIONS

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is addressed to the Prime Minister. In view of United States Secretary of State Kissinger's statement yesterday that the United States is prepared to deal with the raw materials question "with economic realism, political imagination and understanding for the concerns of the developing world", what steps will the Prime Minister take to secure United States support for the position taken by the Commonwealth heads of govern-

ment in Jamaica that "a comprehensive and inter-related program of practical measures" including trade and monetary reform, be drawn up to close the gap between the rich and the poor nations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had occasion to meet the American ambassador in Jamaica. I am sure he was following the Commonwealth deliberations and the result of it as contained in the communiqué, with great interest.

OPPORTUNITY OF PARLIAMENT TO EXAMINE CANADIAN STAND ON DEVELOPMENT PRIOR TO UNITED NATIONS MEETING

Mr. Douglas Roche (Edmonton-Strathcona): A supplementary question concerning the follow through to the Jamaica conference. Has Canada extended an invitation to the new group of ten experts to meet in Canada? Since the group of ten is to report to their own governments prior to participation in the special session of the United Nations on development in September, what opportunity will this parliament have to examine the Canadian stand before the opening of this critical United Nations conference?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we always welcome constructive suggestions by parliament on this subject. The subject itself is well known and has been debated at some length in the council of the United Nations and the meetings of the non-aligned countries. Everyone knows what they are. I hope hon. members opposite will feel free to put forward their constructive suggestions either by contacting me or the foreign minister or perhaps, as the House leader suggested, taking one of the opposition days to discuss this vital matter of foreign relations.

* * *

ADMINISTRATION OF JUSTICE

BANKRUPTCY OF SOCIETY FOR STUDY OF THE HERITAGE OF CANADA—KNOWLEDGE OF MINISTER OF SITUATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Secretary of State. I should like to ask the hon. gentleman how long he has been aware of the difficulties, reportedly culminating in bankruptcy, of the Society for the Study of the Heritage of Canada and an RCMP investigation into this affair. Since a number of prominent Canadians seem to be involved in an advisory position and are probably a little embarrassed about it, I wonder if the minister could tell the House something about this?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will be pleased to tell the hon. member and members of the House more about the events but I would have to brief myself. On the first part of the question, I first heard about this a couple of months ago, it seems to me.

Mr. MacKay: Mr. Speaker, I have a brief supplementary question for the Solicitor General. Has the hon. gentleman been aware of this situation and has any advice been given by his office in view of the report that grants from the Secretary of State ceased some time ago and that this was the cause of the "reorganization" of this particular body?

[Mr. Roche.]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not recall hearing about that particular grant and I do not recall giving any advice to the Secretary of State.

* * *

BAIL REFORM ACT

REQUEST FOR RELEASE OF STATISTICS PROVIDED PROVINCIAL ATTORNEYS GENERAL

Mr. G. H. Whittaker (Okanagan Boundary): A question for the Minister of Justice, Mr. Speaker. On February 4, 1975 the minister stated that statistics on the operation of the Bail Reform Act had been provided to the provincial attorneys general so that they might be aware of the figures before they were made public. Has the minister received any comment from the attorneys general, and is he now in a position to release the statistics?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think the news release was made about ten days after that exchange in the House. I do not know that I have received any specific representations from the provincial attorneys general. The intention was simply to give them the material before the public was informed.

* * *

PUBLIC WORKS

POSSIBLE EMPLOYMENT OF ILLEGAL IMMIGRANTS ON CLEANING STAFF—REQUEST FOR REPORT

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a brief question for the Minister of Public Works. About two weeks ago I asked the minister a question with regard to illegal immigrants directly or indirectly employed on cleaning by the Department of Public Works. Has the minister checked into that matter—I think by his smile he may not have. Would he check and give me an answer?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I am sorry if my smile is misleading.

An hon. Member: That's because we don't see it very often.

Mr. Drury: It is not the policy of the Department of Public Works to engage the services of people who are in Canada illegally. Further, the conditions of employment we impose upon contractors who do cleaning services contain provisions to the same end.

PRIVILEGE

PROCEEDINGS IN STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS

Mr. Harvie Andre: Mr. Speaker, I rise on a question of privilege of which I gave the House warning yesterday, and of which I gave notice in writing to the Chair earlier this day concerning a matter which culminated yesterday in the Standing Committee on National Resources and Public Works.

May I say immediately, Mr. Speaker, that I am aware of the procedural difficulties in raising a question of privilege in the House when the incident occurred in a committee. A fairly recent ruling is that of your predecessor given on December 4, 1973. However, Mr. Speaker, this matter concerns the denial of that freedom of speech to which members and witnesses are of ancient right entitled in a committee of this House.

Throughout history, in those states of which this parliament is the present heir, the ultimate ruler has ever reserved to himself—as his prerogative duty—the protection and preservation of the fundamental rights and freedoms upon which the state and the institutions of that state are founded. In such a state, when such rights have been denied by the lesser magistrates, there has always been an appeal to Caesar. If there had not been, we would not be here, nor would this institution exist. A denial of freedom of speech in a committee of this House is so essentially an attack on this House that the matter must transcend the convention that a committee chairman's ruling should be settled in committee and not reported to the House.

● (1500)

A committee report that aborts the truth by suppression of evidence aborts the truth no less when it is presented to this House. I suggest that when a ruling by a committee chairman denies those rights which have been given into your protection on behalf of all members of this House, and this House itself, by Her Majesty, then your duty to intervene to preserve those rights is clear.

I shall read the matter complained of directly from the transcript of the May 8 proceedings of the committee. This ruling was appealed yesterday, and upheld by the committee.

The chairman of the committee is reported to have said, according to the May 8 minutes, the following:

> ... hon. members recall that during our evening meeting yesterday a point of order was raised by the hon. member from Nipissing with regard to the acceptability of a question asked of an official of the National Energy Board by the hon. member from Don Valley.

Then the chairman quoted the question, which reads as follows:

> Is it your opinion that you have the authority to answer questions such as: Is it the view of the board, as a result of its studies and analysis that the price of oil in Canada should be equivalent to world prices?

He went on to say:

> And at that time I reserved my decision relating to the acceptability of the question. However, I am ready to rule on that point this afternoon. I wish to point out to the hon. member that it has been long the practice of the committees of the House to leave to the judgment of the officials of the department to decide whether the question would involve them in controversy over government policy ...

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but two things trouble me. First there is the contradiction involving citation 234. The hon. member has referred in detail to proceedings before the committee. I appreciate that in some way the hon. member may want to raise the possibility of disagreeing with a decision taken in the committee. There is a method by which this can be done. Once the report of the committee is tabled, it becomes subject to a motion for concurrence. If that motion is moved, it becomes a debatable motion. It can be called and, in that way, the hon. member could debate whether proceedings in committee were proper. In that way he could expose the matter for debate.

But it would be a departure from the proceedings, traditions and practices of this House if the Chair were to consider in any way an appeal or ruling of the chairman, or a vote taken in committee which would indicate an appeal from the chairman's ruling. Unless I can be persuaded at the outset that I ought to depart from that practice as a general approach, I would not wish to look at the details of the proceedings in the committee to which the hon. member refers.

The hon. member may wish to pursue his point as to whether there should be some change in the practice and argue, on his question of privilege, that the Chair ought to sit in appeal on rulings of committee chairmen. Certainly it does not do so at the present time and it will be a departure from practice if it did so. Until the Chair can be persuaded on the general point, I feel we ought not to look at the committee proceedings in particular.

Mr. Baldwin: Mr. Speaker, if I may touch on the point Your Honour just raised, may I refer Your Honour to an unusual debate which took place last night. The President of the Privy Council (Mr. Sharp) brought this matter before the House when he asserted categorically, as recorded on page 5769 of *Hansard*, that:

> If you go behind the minister and compel civil servants to appear, then, of course, you break down the whole principle of ministerial responsibility.

I suggest to Your Honour that you must combine what the minister said with what the hon. member for Calgary Centre (Mr. Andre) said, because there is now a categorical assertion by the government that civil servants do not have to appear before committees. That, I think, is the issue with which Your Honour ought to deal.

Mr. Speaker: Order, please. I am prepared to hear the hon. member on the general point as to whether a breach of privilege has been committed in any standing committee. If the hon. member wants to talk about that general point, I can listen.

Mr. Andre: Mr. Speaker, I regret that my introduction was excessively lengthy. I was quoting the remarks of the chairman of the committee. Those remarks speak for themselves and show the merits of the position. My question of privilege is not so much on the merits as on this point: that although the Standing Orders provide for an appeal, the chairman refused to allow members of the committee to debate that matter. Therefore I feel that the

basic freedom of speech of members of parliament on standing committees was abridged. In a moment I will move a motion in support of my position. If the Chair please, may I continue.

The chairman said:

> . . . it has been long the practice of the committee of the House to leave to the judgment of the officials of the department to decide whether the question would involve them in controversy over government policy which they are called upon to implement and not to decide. In this particular instance, I feel that the question would involve the officials in policy-making and should more properly be directed to the minister. Therefore, I find the question out of order . . .

As a lawyer would say, the thing speaks for itself. I must point out that the chairman compounded this denial of freedom of speech by refusing to listen to debate on the point of order. At any rate members of my party were not permitted to debate the point of order. This incident reminds me of a similar occasion in the mother of parliaments. A member rose, and stood with his hand cupped to his ear. When asked by the Speaker to explain his conduct he said, "Mr. Speaker, I am waiting for the cock to crow a third time." As the hon. member for Peace River (Mr. Baldwin) has already said, it is totally unacceptable for ministers to indicate that they shall have veto powers under—

Mr. Speaker: Order, please. I remind the hon. member once again that he is seeking to raise as a question of privilege the refusal of the minister to co-operate in the proceedings before the committee, that is an area which I might be able to examine. I would have difficulty, but I might be able to examine it. But if the hon. member is asking me to listen to an appeal from a ruling of a committee chairman, he ought to know that I cannot do that, unless we change the general practice in this area.

Some hon. Members: Hear, hear!

Mr. Andre: No, Mr. Speaker, that is not my intention. I will put my motion in a minute. I am referring to the question of ministerial policy to limit witnesses appearing before committees. I suggest, Sir, that that is a debatable point. We have strong feelings about it. In the present instance the chairman of the committee decided what questions should be put. That, I suggest, was an infringement of our privileges, and I am prepared to move a motion in the following terms:

> That this House, upon hearing a report on the actions of the hon. member for Glengarry-Prescott-Russell while purporting to act in his capacity as chairman of the Standing Committee on Natural Resources and Public Works, is of the opinion that he has caused and created a situation whereby the privileges of members have been infringed upon through the denial of members' rights to question witnesses, and that this matter be referred to the Standing Committee on Procedure and Organization.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I wish to comment on the motion proposed this afternoon by the hon. member for Calgary Centre (Mr. Andre). I think Your Honour was quite right in saying that the substance of the question should not be raised in the House, and that it cannot be properly discussed here. The practice of the House has been that such questions cannot be raised in the House unless the committee had actually reported to the House. I refer to the ruling of Mr. Speaker Lamoureux, as recorded in the *Journals* of the House of Commons for December 4, 1973. Mr. Speaker Lamoureux ruled as follows:

> It is well established practice that committee proceedings cannot be brought into consideration or debate in the House except by way of a report from the committee. If a point of order or a question of privilege should arise in a committee, it should be settled there rather than by way of an appeal to the House.

That is exactly what happened yesterday in the standing committee.

Mr. Clark (Rocky Mountain): No, it did not.

Mr. Foster: The chairman's ruling was appealed and a decision was taken on it.

The hon. member for Calgary Centre suggested that members of all parties did not have an opportunity to debate the matter. I suggest that representatives of at least three parties represented at that committee meeting spoke to the motion to appeal the chairman's ruling.

An hon. Member: Not true.

Mr. Foster: May I also refer Your Honour to citation 295(1) of Beauchesne's Fourth Edition, which says in part:

> On July 24, 1956, an appeal was taken to the House from the Standing Committee on Banking and Commerce, and the Speaker ruled that the chairman's ruling should be settled in the committee and not reported to the House.

● (1510)

We have these two precedents, Mr. Speaker. I might point out that they go back over almost 20 years. I would also point out Standing Order 65(11), which reads as follows:

> The chairman of a standing or special committee shall maintain order in the committees; deciding all questions of order subject to an appeal to the committee, but disorder in a committee can only be censured by the House, on receiving a report thereof.

The committee has not reported to the House and I do not feel this matter can properly be taken up here at this time.

The hon. member for Calgary Centre (Mr. Andre) is saying that the chairman of the standing committee is ruling willy-nilly deciding whether questions can be put to civil servants and others who appear before committees who normally do not comment on questions of policy. That is not the case at all. In the instance the hon. member has spoken about, the hon. member for Don Valley (Mr. Gillies) put a question to the chairman of the National Energy Board, which has an advisory responsibility to the government and to the Minister of Energy, Mines and Resources (Mr. Macdonald). Therefore, their discussions would normally be private. The hon. member for Don Valley put the question like this—

Mr. Speaker: Order, please. I think we are getting into a discussion of what took place in the committee, and it is in someway being suggested that I should decide whether what took place in the committee was right or wrong. The only question I will decide is whether it is proper practice for this Chair to sit in appeal on events or rulings that took place in the standing committee. I do not want to hear the specifics.

Mr. Foster: I will conclude by saying the chairman essentially ruled that in this case, where a matter of policy had been put to a civil servant, that a point of order was raised by the hon. member for Nipissing (Mr. Blais). As the parliamentary secretary, I spoke to that point of order. I said I did not feel it was a proper question to be answered by a civil servant. The chairman ruled that the question could not be put. In his ruling, he made it very clear, and I will just read—

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise on a point of order. Are we going to debate the whole question of whether or not the Chairman of the Standing Committee on National Resources and Public Works was in order or not in order? That could be a lengthy debate. I certainly am not prepared to have the hon. member who is now speaking put on record his interpretation of the chairman's ruling. Either we are discussing that ruling or we are not. I took it from Your Honour's statement that we are not discussing the ruling of the chairman.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has said for the fourth time what I have said three times, that is, that I do not propose to get into discussing an appeal of the chairman's ruling. The question is whether this Chair can sit in appeal on rulings or events that take place in the standing committee. I will entertain discussion on that. I have already indicated it is my firm view it cannot. However, I am open to listen to argument on the subject. I really do not want to get into the substance of what took place in the committee.

Mr. Foster: Mr. Speaker, I will be guided by your suggestion and say I do not feel this is a matter which can properly be brought before the House at this time.

Mr. Speaker: I propose to examine the arguments that have been put forward and the ruling to which reference has been made. I might indicate that my position earlier is in conformity with what I have already examined as to precedents. However, I will re-read what hon. members have contributed, and make my decision tomorrow.

ROUTINE PROCEEDINGS

[*Translation*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Fifth report of the Standing Committee on Indian Affairs and Northern Development, in both official languages—Mr. Cyr.

[*Editor's note: For text of above report, see today's* Votes and Proceedings.]

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 468, 559, 571, 1,534, 1,813, 1,904, 1,985, 1,994, 2,000, 2,023, 2,048, 2,063, 2,138, 2,220, 2,234, 2,286, 2,306, 2,363, 2,370, 2,376 and 2,382.

Mr. Speaker, if questions No. 59, 616, 1,836, 1,868, 2,004, 2,025 and 2,107 could be made orders for return, these returns would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

UIC AUDIT REPORT

Question No. 468—**Mr. Forrestall:**

For what reason is there no audit of the Unemployment Insurance Commission in the Report of the Auditor General for the fiscal year ended March 31, 1973?

Hon. John N. Turner (Minister of Finance): The Auditor General has continued to audit the accounts and financial transactions of the Unemployment Insurance Commission pursuant to the requirements of section 15 of the Unemployment Insurance Act, 1971. The practice followed in prior years of including in the Auditor General's annual report financial information with respect to Crown corporations and other agencies, including the Unemployment Insurance Commission, was discontinued in the report for the fiscal year ended March 31, 1973 for the reasons given on page 6 of the report. Essentially the same information is included in the annual report of the Commission for the year ended December 31, 1972 which was tabled in the House of Commons on June 28, 1973, or in the report on the state of the Unemployment Insurance Account for the fiscal year ended March 31, 1973 which was tabled on October 19, 1973 together with the report thereon by the Auditor General of Canada.

TARIFF BOARD—RESEARCH EXPENDITURES

Question No. 559—**Mr. Symes:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 by the Tariff Board on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Hon. John N. Turner (Minister of Finance): 1. 1972-73: $3,000. 1973-74: $27,730.

2. 1972-73: Mr. J. P. Lacube, University of Ottawa and Mr. E. Eisenberger, University of Ottawa $1,500. each; 1973-74: Dr. S. C. Hudson, Aylmer P.Q. $15,730. Mr. W. D. Porter, Ottawa $7,000. Mr. D. J. Sutherland, Ottawa $5,000.

Order Paper Questions

3. The purpose of the contracts to J. P. Lacube and E. Eisenberger was to draw on their knowledge and experience of the leisure industry for a reference on pleasure craft. The purpose of each contract in 1973-74 was to provide specialized assistance to the board in connection with an extensive study on fresh and processed fruits and vegetables—Reference 152.

TARIFF BOARD—PUBLICITY AND INFORMATION EXPENDITURES

Question No. 571—**Mr. Symes:**

1. What were the amounts of money spent by the Tariff Board on publicity and/or information in each of the fiscal years 1972-73 and 1973-74?

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

3. In the case of expenditures for publicity and/or information made within the Department by its publicity or information division, what was the amount in each case and the purpose of the expenditure?

Hon. John N. Turner (Minister of Finance): 1. 1972-73: $1,673.08; 1973-74: Nil.

2. The Queens Printer, Ottawa $1,673.08 publishing of tariff board report on reference 148 (E & F) strawberries.

3. The tariff board has no publicity or information division.

HEALTH AND WELFARE—MENTAL ILLNESS RESEARCH BUDGET

Question No. 1,534—**Mr. Caouette (Villeneuve):**

1. What were the estimates of the Department of National Health and Welfare for the year 1974?

2. What was the amount used for research on the causes of mental illness?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Fiscal year 1974-75—$4,874,903,252.

2. Under the National Health Research and Development Program, $1,015,028 has been approved towards research projects in the field of mental health for the fiscal year 1974-75. Research on the causes of mental illness, in the clinical sense, is not supported within the framework of the above program. The Medical Research Council provided grants totalling $975,000 for research on mental disorders in 1974-75.

FINANCIAL ASSETS HELD BY INDIVIDUALS

Question No. 1,813—**Mr. Herbert:**

Of the financial assets held by individuals in each of the past ten years, what percentage was held in (a) savings accounts (b) stocks (c) pension reserves (d) checking accounts and cash (e) life insurance reserves (f) government securities?

Hon. John N. Turner (Minister of Finance): This information is not available.

[Mr. Turner (Ottawa-Carleton).]

AIRCRAFT FUEL FOR MINISTRY OF TRANSPORT AIRPORTS

Question No. 1,904—**Mr. Howie:**

1. On what date were the last tenders called for the supply of aircraft fuel for Department of Transport airports in New Brunswick?

2. (a) By whom, and in what amount were tenders submitted (b) to whom was the contract awarded?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Tenders were called on February 18, 1975 for the supply of a full range of petroleum products at all MOT airports in the maritimes in support of MOT aircraft based at Moncton. MOT airports at Moncton, Fredericton and Saint John were included in the invitation to tender.

2. (a) Tenders were submitted by Shell Canada Limited and Imperial Oil Limited, the only contractors at the time providing into-plane refuelling at maritime airports. In so far as aviation fuel is concerned, i.e., aviation gasoline and aviation turbine fuel, both companies quoted on the basis of dealer's price on day of delivery, plus an airport fee of $0.0168 per gallon for into-plane service. (b) Standing Offers for the supply of an estimated quantity of a full range of aviation petroleum products, as and when required, at MOT airports in the maritimes in support of MOT Moncton based aircraft for the period April 1, 1975 to March 31, 1976 were awarded on March 27, 1975 to Imperial Oil Limited and Shell Canada Limited. Both companies can provide aviation gasoline 100/130 octane at the Moncton airport and an arrangement to use either or both sources was requested by MOT to ensure operational effectiveness. MOT has been advised that whenever possible, requirements should be drawn from the supplier offering the most advantageous price to the Crown at time of refuelling. The standing offer awarded to Imperial Oil covers the supply of aviation gasoline 100/130 octane at the Fredericton airport. Negotiations are still underway to locate a supplier for other MOT POL aviation requirements at Fredericton and at the MOT airport in Saint John, New Brunswick.

FISHING TRAWLER "GULF GUARD"

Question No. 1,985—**Mr. Reynolds:**

1. What was the cost of obtaining the fishing trawler *Gulf Guard* before conversion was made under CIDA's authorization?

2. What was the total cost upon delivery of this vessel to Columbia, South America including conversion costs?

3. What are the dimensions by way of length and deplacement of the vessel?

4. Which person or firm sold the vessel to CIDA and under whose direction was purchase made?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. $175,000.

2. Estimated final cost when completed in May, 1975 is $540,900 afloat at shipyard.

3. Length 82′ 3″ registered. Displacement 300 tons.

4. Breton Trawlers Limited, North Sydney, Nova Scotia. Purchased by the Canadian Commercial Corporation as specified by CIDA. Technical staffs of CIDA and DSS selected the vessel.

SUPPLY AND SERVICES—TELESCOPE PROJECT

Question No. 1,994—**Mr. Reynolds:**

1. What criteria were used when the contract award of $800,000 was issued to Surveyer, Nenniger, and Chênevert Inc., Montreal, Quebec for the Canada-France and Hawaii telescope project?

2. What is the speculated cost of the construction and development of this venture both in terms of Canada's contributions and the other parties involved?

3. What contribution of Canadian labour and construction goods are to be provided?

4. For what reason was the Hawaii site chosen?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. A predetermined weighted point system was used to select Surveyer, Nenniger, and Chênevert on the basis of the following criteria: relevant company experience and management capability; proposed methodology and work plan; availability and competence of human resources; understanding the objectives and scope of work; Canadian content; industrial benefits, i.e: capability to exploit the expertise gained on the program; costs to the Crown.

2. The expected contribution of Canada and France is $13,550,000 each for the one-half share of the cost of the observatory. Hawaii's contribution is the site, access roads and administration buildings, deemed to be worth $4,782,000.

3. Approximately one-third of the construction cost will be spent on contracts with Canadian firms, one-third on French contracts and one-third will be decided by international bidding.

4. The site on the summit of Mauna Kea on the island of Hawaii was chosen because it has unique optical observation qualities with respect to the absence of humidity, pollutant particles and minimal temperature variations.

SUPPLY AND SERVICES—REFRIGERATED CONTAINERS

Question No. 2,000—**Mr. Reynolds:**

1. Was a contract awarded by the Canadian Commercial Corporation on behalf of CIDA for the supply of twenty refrigerated containers at a cost of $620,765 to be used by the Railways Improvement Programme in Zambia?

2. Did the Department of Supply and Services invite tenders from companies that deal with our national railways for supplying such equipment?

3. Would it have been much more economically efficient to purchase refrigerated containers from the CPR supplier and, if not, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. With the advice of CIDA, the consultant for the program and the Department of Industry, Trade and Commerce, DSS approached all potential Canadian manufacturers of such equipment agreeing to accept either the specified or an equivalent system.

3. DSS and the consultant to Zambian Railways were aware of the refrigerated containers used by the CPR, however the manufacturer of its "piggy-back" containers did not respond to our initial survey of manufacturers. We understand that the refrigeration units, which are fitted by the CPR, are not manufactured in Canada.

Order Paper Questions

SUPPLY AND SERVICES—CONTRACTS TO UNIVERSITIES FOR RESEARCH AND DEVELOPMENT

Question No. 2,023—**Mr. Reynolds:**

1. Were contracts awarded to various universities in Canada over the past two years by the Department of Supply and Services similar to contracts for "research and development" issued to industry and, if so, for what reason were the latter issued?

2. What purposeful end do they achieve?

3. On behalf of what departments are such contracts made?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1 and 2. Research and development contracts are awarded by the Department of Supply and Services in accordance with the policy set out in Treasury Board "Guidelines for the Implementation of the Make or Buy Policy Concerning Research and Development Requirements in the Natural SCIENCES" dated January, 1973, a copy of which is available in the Library of Parliament. The Policy as a general principle, all mission-oriented research and development requirements as well as their associated and subsequent contracts for hardware, systems and services are to be acquired from Canadian industry, as defined below, unless it can be conclusively demonstrated by a department that optimum benefit to Canada would be better served by obtaining the research and development requirements from federal government facilities. The anticipated result of the policy will be that Canadian industry, by becoming increasingly aware of the research and development requirements of government, will satisfy more of these requirements and thereby produce increased benefits for Canada through greater stimulation of the innovation process. Definition Canadian Industry means all business organizations located in Canada and incorporated or registered under federal or provincial legislation which are engaged in manufacturing, processing, primary and service industries. This definition includes industrial research institutes jointly operated by groupings of companies in Canadian industry. (While universities and provincial research foundations and councils are not included in this definition and therefore not covered by this particular policy, there is no intent to change the practice of placing research and development with them whenever this is the most effective way of proceeding. Each requirement is carefully considered by the Department of Supply and Services in relation to known potential sources for the particular capabilities required. As in normal procurement, if the capabilities required are more likely to be found in universities, these will be included in the request for proposals and proposals will be assessed in the normal manner. A summary of contracts awarded to universities on behalf of client departments during the period of the question is attached, along with a summary of all research and development contracts placed by the Department of Supply and Services during that period.

3. Details concerning the client departments and the nature of work covered by these contracts is contained in the Department of Supply and Services monthly Research and Development Bulletins covering this period which were tabled in response to question No. 1,993.

Order Paper Questions

Statistical Summary
Science Contracts Awarded to Universities
April 1, 1973—February 28, 1975

By Client Department	Quantity	Value
Communications	137	1,819,092
Environment	310	3,631,162
National Defence	49	590,222
Energy, Mines and Resources	51	1,049,321
National Library	1	21,200
Ministry of State for Science and Technology	4	41,970
Indian and Northern Affairs	13	470,467
Ministry of Transport	3	32,069
National Research Council	1	21,784
Agriculture	24	443,252
Urban Affairs	2	82,180
Total	595	8,202,719

DEPARTMENT OF FINANCE PARLIAMENTARY RETURNS OFFICE

Question No. 2,048—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Finance?

Hon. John N. Turner (Minister of Finance): There is no Parliamentary Returns Office as such in the Department of Finance. Parliamentary returns are handled by several members of the deputy minister's staff.

DEPARTMENT OF SUPPLY AND SERVICES—PARLIAMENTARY RETURNS OFFICE

Question No. 2,063—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Supply and Services?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The Department of Supply and Services does not operate a Parliamentary Returns Office. A parliamentary advisor's office is responsible in part for returns of both the Supply and Services administration. In addition there are other administrative and personnel responsibilities. Therefore the direct costs for parliamentary work cannot easily be separated from the other responsibilities.

NUMBER OF POST OFFICE FACILITIES IN PAST 10 YEARS

Question No. 2,138—**Mr. Herbert:**

How many post offices were there in each of the past ten years and what is the number projected for each of the next three years?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Fiscal year 1964-65, 11,255 postal facilities; 1965-66, 11,172; 1966-67, 11,059; 1967-68, 10,838; 1968-69, 10,450; 1969-70, 9,575; 1970-71, 9,023; 1971-72, 8,564; 1972-73, 8,684; 1973-74, 8,710. The Post Office Department does not project the number of postal facilities for future years as the establishment of such is dependent on municipal, provincial and federal programs; i.e. the establishment of town sites, municipalities, resource development projects, etc. and the department's capabilities to provide postal services to meet the customers' needs.

[Mr. Goyer.]

RACETRACK SUPERVISION REGULATIONS

Question No. 2,220—**Mr. Bawden:**

Were sections 211, 213, 214 and 215 of Part V of the Racetrack Supervision Regulations governing the use of narcotics, unacceptable medications or other stimulants, enforced during the 1973 and 1974 horseracing seasons or were they revoked on June 15, 1973 and, if so, in either case (a) is a review being made by the Minister in consultation with the provincial racing commissions (b) for what reason has it taken almost two years to review the sections (c) on what date will the review be completed (d) on what date will the sections be reinstated?

Hon. E. F. Whelan (Minister of Agriculture): The sections were revoked on June 15, 1973. (a) Yes. (b) The delay is attributed to a study of controlled medication and pre-race testing under way by the department in collaboration with the various racing commissions. (c) No target date has been set for the completion of the review, but it will require at least a year. (d) The results of the study will determine whether the sections will be reintroduced and their effective date.

VISIT OF DAVID LEWIS TO CUBA

Question No. 2,234—**Mr. Schumacher:**

1. Did Mr. David Lewis and the Honourable Alastair Gillespie, P.C., M.P., visit Cuba at the same time this year and, if so, was this purely co-incidental?

2. Was Mr. Lewis part of, or acting with, any delegation from the government, or on behalf of the government?

3. Did Mr. Lewis attend any meetings attended by Mr. Gillespie or other members of his entourage while in Cuba and, if so, what was the nature of such meetings?

4. Did Mr. Lewis avail himself of any transportation provided by the government and, if so, what was the nature of such transportation and the dates involved?

5. Has Mr. Lewis been asked by the government for a report or has he volunteered, any suggestions and/or reports as a result of his Cuban visit?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): 1. Mr. Gillespie was in Cuba from March 19 to 23, 1975. The whereabouts of Mr. David Lewis do not fall within the responsibility of the Minister of Industry, Trade and Commerce.

2. Not to the knowledge of the Minister of Industry, Trade and Commerce.

3. No.

4. Not to the knowledge of the Minister of Industry, Trade and Commerce.

5. Not to the knowledge of the Minister of Industry, Trade and Commerce.

CONSUMER HELP OFFICES

Question No. 2,286—**Mr. Marshall:**

1. What are the addresses of the Consumer Help Offices in Canada?

2. Where are the additional 40 offices to be located?

3. Which voluntary consumer organizations were given grants during 1974?

4. What are the details of contracts given to organizations to run Consumer Help Offices?

5. (a) How many enquiries were made to Box 99, the Department of Consumer and Corporate Affairs, in the year 1974 (b) in how many cases were the results favourable to the person inquiring?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): 1. Consumer Help Offices—Atlantic Region—Consumer Help Office, South End Tenants' Assoc., 50 Princess Street, Saint John, New Brunswick, E2L 1K2. Consumer Help Office, Cape Breton Metrocenter, 360 George Street, Sydney, Nova Scotia, B1P 1K1 and Town House, Glace Bay, Nova Scotia. Ontario Region—Consumer Help Office, Earlscourt Community Project, 90 Ascot Avenue, Toronto, Ontario, M6E 1E9. Consumer Help Office, Mothers-on-Budgets, 224 Cummings Street, Thunder Bay, Ontario, P7C 1N7 and Ethnic Referral Centre, 213 Algoma Street South, Thunder Bay, Ontario, P7V 3C1. Consumer Help Office, Downtown Community Citizens Organization, 495 Glengarry Ave., Windsor, Ontario, N9A 1R2. Consumer Help Office, St. Matthew's House, 414 Barton Street East, Hamilton, Ontario. Prairie Region—Consumer Help Office, Humans on Welfare, 3rd floor, 9676 Jasper Avenue, Edmonton, Alberta, T5H 3V5. Consumer Help Office, SIGN (Society for the Involvement of Good Neighbours), 41 Broadway West, Yorkton, Saskatchewan, S3N 0L6. Consumer Help Office, Community Aid/Resource Centre, 136 Avenue F South, Saskatoon, Saskatchewan, S7M 1S8. Consumer Help Office, Connaught Neighbourhood Society, 1347—12 Avenue S.W., Calgary, Alberta. Consumer Help Office, West End Co-Op, 796 Banning Street, Winnipeg, Manitoba, R3E 2H7. Consumer Help Office, International Centre, 280 William Avenue, Winnipeg, Manitoba, R3B 0R1. Pacific Region—Consumer Help Office, Grandview-Woodland Information Centre, 1135 Commercial Drive, Vancouver, British Columbia V5L 3X3.

2. The objective of the Consumer Help Program called for the establishment of 20 Consumer Help Offices across the country during fiscal 1974-75. At this date 13 offices have been opened and seven others are at varying stages of development. There are plans for the establishment of ten more offices in 1975-76 and another ten the following year. The exact locations of these offices will be based, as in the past, on on-site evaluations by departmental personnel of the needs and resources of various areas.

3. During the fiscal year 1974-75, the department accorded grants to several voluntary agencies: Consumers' Association of Canada (C.A.C.); Association Coopérative Économie Familiale (A.C.E.F.); l'Institut de promotion des Intérêts du Consommateur (I.P.I.C.); the Canadian Toy Testing Council, Automobile Protection Association (A.P.A.); the National Anti-Poverty Organization (N.A.P.O.); the Citizens' Bureau in Belleville, Ontario; the Consumers' Association of Canada (Quebec); and the Quebec City local of the Consumers' Association of Canada.

4. Under the agreement, the department provides funds to cover the salary and expenses of the Consumer Help officer, telephone service, the cost of information materials and a fair share of the organization's rent and other overhead. A mutually acceptable Consumer Help officer is selected and hired by the contracting organization, which also provides office space, office services and guidance to the officer.

5. (a) Between January 1, 1974 and December 31, 1974, Box 99 received 28,265 complaints and 15,422 enquiries. (b) No data is available that would provide an accurate answer to this question. Whether or not a consumer is happy with the results of an enquiry to Box 99 depends upon the initial expectations of the consumer in approaching the department.

PRIME MINISTER'S OFFICIAL RESIDENCE

Question No. 2,306—Mr. Cossitt:

With reference to the answer to Question No. 1,352 which listed an additional $38,470.31 expenditures on household items at the Prime Minister's official residence at 24 Sussex Drive, will the Prime Minister continue to purchase items in such large amounts from public funds or will he curtail expenses as part of government policy to reduce government expenditures?

Right Hon. P. E. Trudeau (Prime Minister): The purchases referred to in Question No. 1,352 were long overdue and were necessary to the efficient and appropriate operation of the official residence at 24 Sussex.

MONCTON AIRPORT—MAINTENANCE OF RUNWAYS

Question No. 2,363—Mr. Jones:

1. What work was done in each year 1972, 1973 and 1974 to maintain runways at the Moncton Airport and, at what cost?

2. (a) What runways were out of service on April 14, 1975 and for how long (b) are such runways presently out of service and, if so, for what reason?

3. Was sufficient and adequate maintenance done on the Airport runways in 1974 and, if not, for what reason?

4. Who is responsible for maintenance of runways at the Airport?

5. What are the full details of the budget for the Airport for the fiscal year 1975-1976?

6. Will extension and expansion of the terminal, passenger and baggage facilities be undertaken to alleviate the present inadequate facilities and, if so (a) on what date (b) what has been budgeted for such work in 1975-1976?

Hon. Jean Marchand (Minister of Transport): 1. Runway maintenance, including crack filling and asphalt patching, was undertaken to the amount of $14,396 in 1972, $32,796 in 1973 and $33,795 in 1974.

2. (a) and (b) Runway 11-29 has been out of service since April 11, 1975 due to winter damage. To prevent further damage and to permit necessary repairs the runway has remained closed with anticipated reinstatement of aircraft operations for early May, 1975. During this time the runway was available for emergency aircraft landing and taxiing purposes. Runway 07-25 has always been available for aircraft movements and thus the airlines' operations have not been jeopardized due to the closure of runway 11-29.

3. Adequate maintenance was undertaken on runway 11-29 in 1974.

4. The Airport Manager of the Ministry of Transport at Moncton Airport and his staff are responsible for runway maintenance.

5. Funds to the amount of $15,000 have been programmed to purchase material and services for runway maintenance during the fiscal year 1975/76. In addition, the 1975/76 operational and maintenance budget provides $225,175 for maintenance personnel salaries, with a portion allocated for runway maintenance purposes.

6. (a) and (b) Air traffic control personnel utilizing space in the Air Terminal Building are to be relocated to the Area Control Centre expected to be completed in 1976/77. Modifications to the Air Terminal Building are, therefore, planned for 1977/78 providing for improved passenger handling facilities. Funds, other than building maintenance, are not programmed for Terminal expansion in 1975/76.

MOVE OF PARKS CANADA OFFICE FROM CORNWALL

Question No. 2,370—**Mr. Cossitt:**

With reference to the answer to Question No. 2,163 which states in part that the current level of federal employment in Cornwall, Ontario will be maintained despite the removal of the Regional Headquarters of Parks Canada from that City, what is the total number of persons employed by Parks Canada in Cornwall in each of the past three years and, of these, how many of the jobs which they occupied or occupy will be transferred to whatever location is selected for the new Regional Headquarters?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): The total number of permanent positions in the Ontario Regional Office during the past 3 years are: 1974-75, 108; 1973-74, 94; 1972-73, 78. The actual numbers vary slightly from the above from time to time due to vacancies or short term casual employment. All of the jobs in the Parks Canada Regional Office will be transferred to the new Headquarters location.

POWER LINES—CHANGE OF FLYING REGULATIONS—CONSTITUENCY OF VAUDREUIL

Question No. 2,376—**Mr. Herbert:**

1. Will the proposed Hydro-Quebec power lines which are to convey electricity to New York State necessitate any change to flying regulations applicable to the private airfields located in the Constituency of Vaudreuil?

2. Will there be any change to the flight patterns of aircraft from the Montreal International (Dorval) Airport or to the proposed flight patterns from Mirabel Airport?

Hon. Jean Marchand (Minister of Transport): 1. No.

2. No.

FEES FOR NATIONAL PARKS

Question No. 2,382—**Mr. Schellenberger:**

1. Are fees for national parks based on years of existence and stages of appropriate development?

2. Will the new fee structure under the five year capital development programme apply to recently opened parks before their development warrants it?

3. Are most of the recently opened parks in Eastern Canada and, if so, will Western Canadians who more often frequent Western parks have to bear the brunt of such increase?

4. What are the criteria for assessing the development stage?

5. Will such charges differ for various types and sizes of campers?

6. Will the new fee structure adversely affect the ability of various groups of Canadians e.g. the young, senior citizens and lower-income families to use the parkland facilities?

7. Would the Minister consider applying the new fee structure to foreigners only, since Canadians have already spent many of their tax and personal dollars in the development of national parklands?

[Mr. Marchand (Langelier).]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): 1. Fees for National Parks are based on level of development.

2. No.

3. The recently opened parks are located as follows: Yukon Territory (1), Northwest Territories (2), British Columbia (1), Ontario (1), Quebec (2), New Brunswick (1), Nova Scotia (1), Newfoundland (1). The fees are the same at all the parks where park motor licences are required. There are two categories, a single entry licence valid for entry and reentry on the day of issue and an annual licence good for unlimited entry to all National Parks for those who more often frequent the Parks.

4. Assessment of the development stage is based on availability of access routes, basic accommodations and information and interpretive services.

5. Camping fees are based on the services provided at the site, not the type or size of equipment making use of the site.

6. No, since the fees form a very small part of any travel or recreational expenditure.

7. No.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP PROJECTS—CONSTITUENCY OF VANCOUVER CENTRE, B.C.

Question No. 59—**Mr. Cossitt:**

1. With reference to the answer to Question No. 46 of the Second Session of the 29th Parliament, which states in part that a total of $3,028,982 was allocated under the Local Initiatives Programme for 1972-73 in the constituency of Vancouver Centre, British Columbia (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

LIP PROJECTS—CONSTITUENCY OF ROSEDALE, ONTARIO

Question No. 616—**Mr. Cossitt:**

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Rosedale, Ontario (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

HEALTH AND WELFARE SUBSIDIES—SELECTION CRITERIA

Question No. 1,836—**Mr. Beaudoin:**

1. What are the selection criteria that apply to the pilot-projects, research projects, manpower projects and other particular initiatives,

with respect to the granting of welfare subsidies announced February 27 for the Department of National Health and Welfare?

2. Will the persons in charge of the approved projects be obliged to provide the Department with a report on their experiences?

3. Is the Department entitled to control the operation of the projects and of the funds?

4. Since the implementation of the national subsidy programme in 1962 (a) how many projects gave rise to government policies (b) what were such projects?

5. Were any projects (a) approved (b) rejected and (i) if so, which ones (ii) if not, for what reason?

Return tabled.

DREE GRANTS TO MEAT PACKING AND PROCESSING FIRMS

Question No. 1,868—**Mr. Mazankowski:**

What are the names of meat packing and processing firms which have received Regional Economic Expansion incentive grants (a) what is the location of each (b) in what year did they receive such grants (c) what was the total capital cost of each of the projects?

Return tabled.

SUPPLY AND SERVICES—PURCHASE ORDERS

Question No. 2,004—**Mr. Reynolds:**

Would the Minister of Supply and Services provide the latest available figures detailing the number and value of purchase orders issued for the more than 25 respective departments and agencies DSS supplies with goods?

Return tabled.

SUPPLY AND SERVICES—TENDERS RELATING TO DISPOSAL OF CFB FOYMOUNT

Question No. 2,025—**Mr. Reynolds:**

1. Would the Minister of Supply and Services provide a duplicate of the request for companies to tender with respect to the disposal of CFB Foymount, outlining all necessary conditions for sale?

2. Will the Minister provide names of the eight companies that bid on CFB Foymount and include the dollar figure?

Return tabled.

FRENCH LANGUAGE INSTRUCTION

Question No. 2,107—**Mr. Cossitt:**

What are the names, addresses and occupations of all persons who have received French language instruction at public expense since January 1, 1972?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion for the production of papers No. 39?

The Canadian Economy

COPY OF REPORT BY MORRIS TREVITHICK ON STUDIES RELATING TO SMALL CRAFT HARBOURS

Motion No. 39—**Mr. Marshall:**

That an Order of the House do issue for a copy of the Report by Morris Trevithick on Studies Relating to Small Craft Harbours concerning their management, financial and socio-economic impacts, recommending specific system plans.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the department is unable to issue a copy of the report referred to in the motion as no such report exists. I would therefore ask that the motion be withdrawn.

Mr. Marshall: Mr. Speaker, it would appear that such a report does exist.

Mr. Speaker: Transferred for debate. Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO PLAN THE ECONOMY

Mr. Edward Broadbent (Oshawa-Whitby) moved:

That this House condemns the government for its failure to plan the Canadian economy and in particular for the injustice of its current wage and price restraint proposals which discriminate against working Canadians while failing to deal with persistent unemployment and the related need for government investment planning.

He said: Mr. Speaker, last week-end in a speech outside the House the Minister of Finance (Mr. Turner) suggested that unless the trade union movement in Canada agreed to his program of voluntary restraints, his forthcoming budget would have to be restrictive in nature.

After almost a year of inaction since the election, suddenly we have intimated in concise form what the Minister of Finance sees as our economy's principal problem, its cause and its cure.

Coming hard on the heels of the revelation of the government's price and wage guideline package, it was no surprise to learn that the Minister of Finance thinks there is only one economic issue, and that is inflation; that there is only one cause of this inflation, and that is wage levels; and that there is only one cure other than guidelines, and that is further deflation of the economy.

Rarely has an economic situation been so badly understood. Rarely, except for the incomparable Minister of Transport (Mr. Marchand), has a minister so deserved to be repudiated by this House. As a time when figures released by his own department clearly show that we are in the middle of a major recession the minister remains traumatized by his own doctrine of restraint. He has not only offered a partial diagnosis of our economic problem by concentrating exclusively on inflation, but in addition

he has produced a totally unjust and unworkable scheme to deal with inflation. Such a combination of errors would be laughable if it were not for the sad fact that Canadians have to live with the mess which results.

● (1520)

Consider the guidelines governing inflation. The subtitle of that proposal should read "How we plan to get labour to accept the blame for inflation". The hitch in the minister's scenario proved to be that labour was not prepared to be fooled. While favouring a comprehensive approach to the problems of our economy, labour made it abundantly clear that current proposals were totally unacceptable. Why? Let us consider the minister's proposals to deal with inflation.

First, there is nothing in the program to restrict interest rates, even though the amount of income going to those whose incomes are derived from investments and interest is now at the highest level as a percentage of our gross national product since Statistics Canada began compiling data.

Second, there is nothing in the proposal to guarantee low or average income Canadians that they will actually receive the 8 to 12 per cent increases set out in the guidelines. Are the companies which employ the majority of working Canadians—those who do not belong to a union—going to give their workers what is due them out of the generosity of their hearts? If they do so, it will be the first time in history that it has happened. To believe it possible requires a degree of credulity miles beyond that of the most optimistic of Utopian socialists. Why did the minister not commit the federal government to raising its minimum wage to at least three dollars an hour thus ensuring that at least some low-income Canadians got an increase? Why did he not propose immediate implementation of a minimum income program—such as is advocated by the Minister of National Health and Welfare (Mr. Lalonde)?

Third, nothing is contained in the guidelines to increase the supply of housing, or to hold down rents, both of which are essential to a reduction in the price of accommodation, a presently crucial component of the cost of living. Rents are shuffled off to the provinces to deal with, and virtually nothing is said about increasing housing starts. Does the minister not know that, next to food, housing is the most important component of the cost-of-living index?

Fourth, no mention is made of oil prices despite the fact that if the government permits a $2.00 per barrel increase in the price of oil this act alone will wipe out entirely the government's chance of reducing the rate of increase in the cost of living by 2 per cent per year in line with its present objective. A commitment to freeze the price of oil would have achieved the minister's minimal objective without involving the whole country in a tangle of unjust guidelines.

Finally, Mr. Speaker, there was nothing effective proposed to hold prices and profits in line. Given the corporate sector's almost infinite capacity to manipulate cost data, and the related ability of multi-national corporations to increase their intra-company prices to their Canadian subsidiaries, it is evident that the price and profit guidelines are totally incapable of being effectively enforced.

[Mr. Broadbent.]

The only effective part of the minister's proposals would be that which involves the wage levels of working Canadians. Federal and provincial governments would be expected to enforce the guidelines with respect to their employees. The private sector would also have the moral sanction of a government program to enforce them on their employees. The trade union movement—if it had agreed to the proposals—would be expected to bargain within the framework of the guidelines.

I ask, Mr. Speaker, why any working Canadian should ever accept an anti-inflation policy which restrains him and no one else? I ask the Minister of Finance why he brought forward such a totally unfair proposal? Not only is the anti-inflation aspect of the proposals unfair to ordinary Canadians, but of even greater significance at this time is the total absence of any policy to increase employment.

If some plan to reduce the rate of inflation is desirable—as is accepted in principle by our party—then surely we also require an equivalent commitment to produce jobs for the 800,000 Canadians who need them. I will have more to say about unemployment shortly, Mr. Speaker. But at this point I want simply to stress that the total emphasis of the proposals put forward by the Minister of Finance is on inflation and, more specifically, on what he considers to be wage-induced inflation.

For a number of months now the minister has been trying to convince the Canadian public that in the crime of inflation wages are the culprit. He and others have pointed to wage settlements reached in the last quarter of 1974, citing with misleading regularity the statistic that the average wage settlement for that period was 17.4 per cent. Two conclusions were drawn from this statistic, first, that this was proof that labour was getting more than its share of the economic pie and, second, that Canadians would price themselves out of competition in international markets. I would like now to deal with both points.

First, it is important to note that the 17.4 per cent wage increase figure referred to pertains to no more than 3 per cent of Canadian workers. It was an average of the settlements reached in the last quarter of 1974 by the better organized unions in the larger bargaining units. I stress here that 97 per cent of the Canadian labour force is excluded from the 17.4 per cent statistic. Indeed, 97 per cent of Canadians received substantially less than this increase precisely because the vast majority are either in no union or belong to weak unions. The average wage in Canada for the last quarter of 1974 increased by only 5.4 per cent. And for the first quarter of 1975 average wages increased by only 2.4 per cent, or an annual rate of just under 10 per cent. Why, then, is the minister so preoccupied with wage rates?

The second point to be made is that labour income must be seen in the context of all other sources of income. The Department of Finance, in its economic review issued about a week ago, puts the situation in perspective. During 1974 labour income represented the smallest percentage of the GNP since 1968. At the same time corporate profits were at their highest proportion of the GNP in 25 years—since 1951. Is it not understandable and entirely just, especially given the recent rates of inflation, that labour should get these higher increases to make up for the

decline in real income that they have experienced in the last few years? If they are still getting increases of only 10 per cent, as they are for this year, why, I ask again, is the Minister of Finance putting the squeeze on the working people of Canada?

● (1530)

I want now to turn to the Minister of Finance's stated concern that, if wages and salaries keep going as they have been, we will price ourselves out of world markets. I say, with respect, that I think his argument in this case is even weaker than the first argument he has made.

What is the evidence? In 1974 Canada had a lower rate of inflation than any of her trading partners in OECD, with the exception of Germany. The latest OECD figures for March, 1975, show that Canada's price increases are somewhat lower than the average for OECD members. However, the main point that I want to make is that any problems we are experiencing with exports have virtually nothing to do with wage settlements. During the first two months of 1975 we had a drop in exports of manufactured products to the United States of about 2 per cent compared with the same period in 1974. What is important to note, however, is that most of this decline is due to a fall off in automotive exports, and that none of this decline can be attributed in the slightest way to wage settlements in Canada.

During the first two months of 1975 our exports in dollar value of raw materials, which account for about 70 per cent of our exports, were up by 43 per cent over 1974. Most of our raw materials industry is capital intensive, with labour costs therefore playing a small role in the total cost of output. Even if this were not so, international forces well beyond our control or influence determined the world price for iron ore, copper, zinc and so on.

Apart from the United States the only other of our major trading partners where the dollar value of our exports was down for the first two months of 1975 was Japan. I stress that the only one of our other major trading partners, with the exception of the United States, where we have had a decline in exports is Japan. This is due to a decline in the exports of lumber and wood products, which have fallen because of a recession in the sectors of the Japanese economy using these materials. Again, like the decline in automotive exports to the United States, Canadian labour costs have absolutely no bearing on the issue.

So far I have argued, first, that the minister's program of restraint is full of loopholes and is unfair to working Canadians; second, that Canadian wages and salaries are not growing disproportionately compared to other countries; and third, that in terms of our trade problems Canadian wage levels have either had no effect or they are entirely irrelevant. All of this makes me conclude that, on these grounds alone, the Minister of Finance's proposals and their supporting arguments should be rejected outright. However, there is an additional and equally compelling reason, and that is that in his bungling fascination with inflation the minister has ignored the ominous problem of unemployment.

On behalf of my party, in both the throne speech and budget debates last fall, I warned that unless the government took immediate corrective action then we would have a major recession on our hands. Again in a special debate in February of this year I urged the minister to bring in a new budget quickly to head off a deepening of the recessionary trends. It is no consolation to look at the unemployment figures which were announced yesterday, which reveal that some 800,000 Canadians are out of work. It is no consolation either to look at the industrial output figures that became available today showing a decline in productivity running at a negative rate of some 11 per cent this year. It is no consolation at all to be able to say, "I told you so".

The decline in output at this rate of 11 per cent has tragic implications for thousands of Canadians. This decline for the third quarter in a row means that we are deeply imbedded in a recession. No amount of evasive talk from the Minister of Finance, no amount of charm or clever answering in the House, will enable Canadians to escape this sad fact. With 800,000 Canadians out of work now, unless the Minister of Finance brings forth an expansionary budget within the next few weeks the situation will worsen in a dramatic way. If he remains preoccupied with his current proposals, a million Canadians—I select the figure with care—could be walking the streets seeking employment next December. The Minister of Finance must admit he has been wrong, and must move quickly to take corrective action.

The new budget must be expansionary, and wherever possible increased expenditure should be aimed at both job creation and at mitigating inflation. These are not, as some would have us believe, mutually contradictory objectives.

Let me make some specific suggestions, Mr. Speaker. First of all housing starts, for example, are down by 40 per cent when compared with the same quarter of last year. The minister should radically revise his target of 210,000 units upwards to 400,000 units. Again I select the 400,000 figure not out of the hat but with care.

To achieve this target the government would have to increase in significant proportions its own expenditures. To make sure that the job is done it should also follow the example of the British Columbia government and go directly into the development business. It should take immediate steps, by changing the Bank Act, to bring down the level of mortgage rates so that average Canadians could afford to buy a house once again. By so acting, I want to stress that no or little inflationary pressure will be put on the economy. Indeed the slack in the lumber industry in New Brunswick, Quebec and British Columbia would experience a recovery, and the 25 per cent now unemployed in the construction industry would once again find jobs. Instead of putting new inflationary pressure on labour and resources, such action in the housing field would simply take men and women off the unemployment lists.

Secondly, we need a reasonable tax reduction restricted to average and low income groups in order to compensate for inflation and to stimulate demand in the economy, which I repeat has ground to a halt.

Thirdly, there should be a public commitment to freeze the price of oil. This would be good both for Canadian consumers and for Canadian industry, and would keep the

latter in a competitive position. I repeat the point I made a few minutes ago, that if the government permits the price of oil to go up some $2 a barrel, this will have a negative effect of some 2 per cent alone on the rate of inflation.

Mr. Stanfield: They won't like that in Saskatchewan.

Mr. Broadbent: I could deal with that point but I won't take the time.

Mr. Turner (Ottawa-Carleton): Oh, come now!

Mr. Broadbent: I am sure that the Leader of the Opposition (Mr. Stanfield) would not want to distort the proposal put forward by the premier of Saskatchewan, which is not the position he just intimated. But I will not be sidetracked, Mr. Speaker.

My fourth point is that the government should raise the federal minimum wage to $3 an hour by at least July 1 of this year, and get the provinces to take corresponding or equivalent action in terms of the provincial minimum wage. Again this would be concrete action that would enable low income Canadians to cope with an inflating economy.

Finally and importantly, what Canada requires in the area of employment is a national development plan that takes fully into account certain short run and long run advantages that we possess as a country, and which other countries do not possess. Potential self-sufficiency in petroleum gives us an immense edge over the industrial countries in the Common Market and over Japan in the immediate situation. Our immense natural resources give us a long run advantage shared by few other nations of the world.

What is required is a decisive expansion of the role played by the federal government in planning and directing the economy. Private investment has fallen off recently, for the perfectly rational capitalist reason that profit expectations have diminished. It would be crazy to invest if you do not expect to make a profit.

● (1540)

The government, in our view, is the only force capable of filling this vacuum in the short run if massive unemployment is to be avoided. In the long run, Mr. Speaker, the selective and strategic use of public investment, public ownership and government expenditure, must be at the core of a national development plan whose ultimate objective is to achieve full employment and hold under control, as far as possible, escalation in the rate of inflation.

We must get beyond the boom and bust cycle, the cyclical nature of the Canadian economy; and only a national economic plan can come close to achieving this kind of objective. Unfortunately only the New Democratic Party is committed to such a policy for Canada. The Liberals in a majority situation, which they have had since last July, are once again demonstrating that they are a party of indifference, unemployment, and inequality, a party wedded to the foolish and unjust economic ideas of the past. We are long overdue for a change.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to deal primarily with the arguments put forward by the leader of the NDP in the House, the hon. member for Oshawa-Whitby (Mr. Broadbent). I understand that the Leader of the Opposition (Mr. Stanfield) will be speaking later and I want to apologize to him in advance, because the short notice of the motion has put me in the position where I have commitments later this afternoon which are physically impossible for me to cancel. I do undertake to him that I will read what he has to say and be back here for the vote. If it were the hon. gentleman's motion I would be here to listen to him as well, as I usually make it my practice to listen to him when he speaks because of his position in the House.

The hon member for Oshawa-Whitby concentrated, and he is entitled to his choice, on unemployment. I share his concern in that regard, particularly at current rates. I have said on several occasions, and particularly in my last budget of November, that we have twin problems; we have the problem of unemployment and threatening world recession, as I said in November, and we also have the problem of inflation.

The argument I want to make today, as I have made on several occasions inside and outside the House, is that if in present circumstances we do not solve the problem of inflation and non-competitive prices and costs of production, then we will risk future unemployment in this country, particularly because of the non-competitive posture in which this country will find itself. In other words, it is not an either or situation.

The hon. member has talked about outmoded economic policies, but I suggest he has been dealing with that this afternoon. Unless we solve the problem in respect of costs and prices in this country our problem of unemployment will be rendered severely worse. In other words, it is a precondition to expansion in this economy and employment opportunities, with the fastest growing labour force in the world, that we get ourselves back into the competitive range of prices and costs.

If the hon. member is talking in terms of traditional trade-offs, then I think he is off the point. You will recall that the budget of last November has a different thrust than the budget of the previous May, because it was in response to the deterioration the government then saw in the world economy. I have admitted in the House that we underestimated that deterioration. We underestimated the depth of the recession in the United States, and the depth to which that would bring the world economy.

I said then that the budget was aimed at dealing with the twin problems of inflation and slow growth, and that the first essential action then was action to sustain demand. Of course the budget was an expansionary budget in November.

The major cause, as I have said, of this continuing deterioration of the world economy has been the plunge by the United States into the deepest and most prolonged recession in the history of that country in the post-war period. The United States administration only belatedly recognized that, and switched from a restrictive fiscal and monetary policy to an expansionary policy in early spring. The President turned from a policy of tax increases to a policy of tax cuts. It is only now that the administration and Congress are negotiating what the energy policy is going to be, because at one time it seemed to have been

counterproductive with tax cuts and with the fiscal spending program.

Aside from the U.S. economy and the prospects we see for the world economy, and aside from oil and gas pricing and some other factors I have brought to the attention of the House, one of the factors the government and I have to take into account in formulating the next budget is the outcome and the prospects of the long series of discussion and consultations we have been undertaking with various groups in the economy, to which the hon. gentleman's motion is really directed, in an effort to arrive at some mutually agreed course of action, if that is possible. That is a course of action for bringing inflation under control in Canada in a gradual process over a period of three or four years. I suggest a period of three or four years, because we can see that such a period is necessary if we are not going to restrict the economy overly and provoke massive unemployment.

I recognize that in some quarters, particularly some rather close ones across the aisle, this whole endeavour has tended to be dismissed as so much window dressing on the assumption that, and this is in other quarters not shared by the Leader of the Opposition, the problem of inflation is rapidly receding of its own accord.

I do not want to include the Leader of the Opposition in this, because he is aware of the seriousness of the problem, but some feel that the recent trend over the last four months, in which inflation has been running at the annual rate of somewhere between 7 per cent and 7½ per cent, now indicates that we have the problem beaten and under control. As I said in Sarnia, I believe this is a very dangerous and mistaken assumption.

The problem of inflation, far from receding, has become more critical for the Canadian economy with every passing month because of the extent to which it increasingly threatens to undermine our competitive position both here in our own markets and abroad in foreign markets.

I have seen it suggested that certain government spokesmen, among them myself, have greatly exaggerated the threat posed to our competitive position by inflation. Indeed this was the argument just put forward this afternoon by the leader of the NDP in this House. He argued, as have others, that the rise in Canadian consumer prices recently has compared favourably with the United States and most other industrial nations, except Germany. He argued, as it has been argued in other places, that the increase in Canadian wages and salaries has also been lower than in most nations other than the United States and Germany. He argued, as it has been argued in other places, that the increases in the prices of Canadian manufactured goods have been moderately less than the increases in the prices of those manufactured goods we import from abroad.

While all these points are valid enough, they fail to take account of the trends and tendencies which this country is now facing, and fail to take account of a number of crucial situations. In every country, and this has been stated by Helmut Schmidt, Chancellor for Germany, to whom the hon. member loves to refer as being in his social democratic fraternity, and by U.S. Secretary of State Simon, who does not quite jibe with the political and economic philosophy of the hon. gentleman—both of them have said—

Mr. Knowles (Winnipeg North Centre): He belongs to your fraternity.

Mr. Nystrom: He is with you and Dick Nixon.

Mr. Turner (Ottawa-Carleton): Now Lorne, you don't believe that. Both of them, from different economic and political points of view, have pointed out the risk of the re-appearance of inflation, perhaps in a more virulent form than ever, as the tone of economic activity tends to pick up, if it picks up simultaneously in the major industrialized countries of the world.

For Canada, I believe and submit to Your Honour, this danger is particularly great because of the substantial increases in costs that are now being built and have been built into our economy in the second, third and fourth quarters of 1974 and the first quarter of 1975, as a result of very large increases in wages and salaries. It is quite true that these increases generally have been below the average experienced in Europe and Japan, but that overlooks the fact that the United States is still by far and away our largest customer, our largest market, and we export 65 per cent of everything we produce. In manufactured goods that percentage is even higher.

● (1550)

Mr. Broadbent: Most of it is raw materials.

Mr. Turner (Ottawa-Carleton): I am talking about our manufactured and processed goods where the situation is even more critical. The very fact that for a considerable period Canadian wages and salaries have been rising at a very much faster rate than those in the United States should make obvious that our competitive position is being jeopardized.

The hon. gentleman says that the recent figures for the first quarter of 1975, of between 16 per cent and 17 per cent, cover only 3 per cent of the work force, but these are the recent settlements. These are the figures that are setting a trend. The recent figure for the United States—and I know that these figures are not exactly comparable but they are close enough—is 7.8 per cent. I am just saying to the hon. member that if that trend continues then it poses some difficulties for this country.

Mr. Broadbent: It is a trend for a small percentage of the labour force.

Mr. Turner (Ottawa-Carleton): Well, the real danger is down the road when the United States economy recovers against the recession. When the productivity at that stage of the cycle comes up it will experience not only a greater increase in its productivity but a greater unit cost economy than we will have in Canada. I believe the risk, if the present trend continues, is that the inevitable result of such a development will be a substantial widening in the differential of unit-labour costs in Canada compared to those in the United States, and therefore a sharpening deterioration in our competitive position. Now more important is that, as a major trading nation, we have already reason to be concerned about the import-export

picture that has been developing over the past several months.

It is true that the major impulse of the deterioration up until now, although I am advised that the cost of production figures are beginning to be negative insofar as Canada is concerned, has been the deterioration in the American, Japanese and British economies. Those recessionary effects have been the primary impulse in affecting our exports. The cost of production figures are now becoming very relevant.

Mr. Broadbent: Would you give us some examples—

Mr. Turner (Ottawa-Carleton): I have half an hour and I have to outline the argument as best I can. The fact of the matter is that the more severe the impact of inflationary pressures is in eroding our competitive position, the more severe will become the problem of unemployment, at a time when unemployment is unacceptably high. I agree fully with the Leader of the New Democratic Party. At a time when our labour force continues to grow at the fastest absolute and comparative rate in the world we simply cannot afford to impede the development of new job opportunities on a massive scale.

In my view, therefore, we have no practical alternative but to do everything we possibly can to break the spiral of inflation. The question is, and the difference of opinion in this House is, how? There are a number of different views. To put the issue in some perspective let me recall that this was a question which confronted us with growing urgency in the fall of last year when it was becoming increasingly apparent that sharply escalating domestic costs and prices were rapidly replacing international forces as a major source of inflationary pressure in this country.

We concluded then that there were only three alternative courses open to the government to deal with the serious threat to Canada's competitive position, both at home and abroad, which is created by the soaring spiral of domestic prices and domestic costs. We could adopt highly restrictive fiscal and monetary policies to curb inflation. We could use the fiscal and monetary tools. We could propose comprehensive mandatory price and wage controls, or we could attempt to work out a mutual understanding among all sectors of the economy in an attempt to gear down fairly and equitably the inflation rate through voluntary means. All these approaches involve hard choices. In fact what is before the country now is a series of unpalatable options. We recognized that each of these presented major problems but we also recognized that we had to make a choice.

Rather than adopting the most strict fiscal and monetary policies, which would have resulted in declining output and rising unemployment, the budget which I brought down in November was aimed at stimulating both output and employment in the least inflationary way possible by reducing taxes. We did not feel that imposition of mandatory controls should be considered then, because of the serious problems they would undoubtedly create. Mandatory controls imposed by government fiat, without the strong backing of the public, stand little chance of achieving even minimal success in controlling inflation. We saw no evidence that the necessary degree of public support would be forthcoming at that time.

[Mr. Turner (Ottawa-Carleton).]

By a process of elimination we came to the decision to pursue the third option, that of trying to bring together the various groups in our economy in an effort to work out a mutually agreed plan for scaling down the rate of inflation to a more acceptable level, that would be as effective, fair and equitable as possible. There is nothing easy about it. We are aware of the pitfalls and the frustrations. There is nothing easy about attempting to forge, in a federal state, a mutual understanding to govern the setting of prices and incomes among the various sectors of the economy. We are equally aware, however, that if we did not achieve a mutual understanding, the practical implementation of that understanding, even if we are able to achieve it, from day to day would be difficult, as indeed it would be under a mandatory system.

I submit to Your Honour that if Canadians look squarely at the critical threat confronting this economy and the courses and options open to us in dealing with the threat, they would agree that working together to fight inflation would far better serve their best interests than any of the other alternatives.

The Leader of the New Democratic Party made the allegation that the proposals put before labour, management, the professions and the other sectors of the economy, were unduly weighted against the working man in this country; in other words that they were unduly weighted against labour. I would say to him, and to the House, that the program being developed by the government in an attempt to halt the spiral of costs and prices applies to every sector of the economy and not just to labour. Because wages, salaries and supplementary labour income compose some 70 per cent of Canada's national income it is obvious that they are the most important single element in the income picture. But fairness, equity, and effectiveness just as obviously demand that all other kinds of claims on the national income must also be moderated if we are to bring inflation under control.

The working papers leaked to the press I believe were badly misrepresented and misunderstood. The fact of that leak seriously jeopardized the chances of arriving at an understanding among all sectors of the economy. I am going to summarize the substance of the proposals. Maybe the hon. member for Don Valley (Mr. Gillies) has not read the papers I gave him.

We proposed as discussion papers for a consensus, if that were possible, that all groups would be allowed to gain at least the target rate of the increase in inflation, that is to say, to preserve their real income. If the consumer price increase rose faster than the target rate the groups would be entitled to recover the difference in the second year, and would not be penalized for an underestimation of the target rate. Workers who had fallen behind the average increase in the last two years would be entitled to increases larger than the target rate of the price increase of up to 4 per cent.

Mr. Broadbent: How are the unorganized workers to get this?

Mr. Turner (Ottawa-Carleton): Lower income workers would be entitled to a minimum increase of $600, and higher salaried groups would be subject to a maximum increase of $2,400. The unorganized worker would be put

in a better position, as would pensioners, if we could get this problem of inflation under control.

Mr. Broadbent: That does not answer the question of how they will get the increase.

Mr. Turner (Ottawa-Carleton): And there would be provision made for exceptional cases. Also for self-employed professionals, professional fees could only be increased by an amount required to improve their net income by a maximum of $2400 available to salaried executives and professionals. In respect of dividends it is true, as I said to the House in reply to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), that we have not yet, either with labour or management, solved the problem of dividends and the question of trading off a fair return to the shareholder, but not excessive and not exceeding the return available to the worker, and still preserve the investment opportunities and enhancement for capital investment of those concerned.

On prices—and these were spelled out with the same detail as wages which is the reason I say that the proper balance was not paid to those two items in the report that was made of those working papers—on prices, first of all the general principle envisaged was that for the first year of the consensus the price increase would be limited to amounts sufficient to cover increases in unit costs; that is all. Where the allocation of costs to products was impractical, the onus would be on the company to comply with the general principle. Wholesalers and retailers would undertake not to increase the mark-ups on various merchandise and, where this was impractical, they would agree not to exceed the percentage gross margins realized during the base period.

● (1600)

In effect profit margins would come down as prices went up, unless volume increased. The general principles were not applicable to the export industries, and the Canadian Labour Congress is concerned about, as am I, and as are the industries, how to get a fair allocation in this area, but it is still under discussion.

In the food area there was no attempt at any time to impose a limitation on food prices at the farm gate or on fish prices at the net. Where food prices are not determined by the market, marketing boards will be expected to meet the intent of the general pricing principle. Processors and distributors, however, would undertake to comply with the general principles.

As for interest rates, the primary rate would be determined by financial markets, but the general pricing principles would apply to rates by banks, trust companies and loan companies.

With regard to rent, the working papers did not make any specific proposals because of the continued discussions with the provinces under whose jurisdiction that lies, and the Canadian Labour Congress officials have indicated that they would like to see the principles inherent in the B.C. program implemented.

Provincial governments are receiving the following proposals: first, new construction would be exempt for five years. Second, increases would be permissible up to the CPI target. Any increase over the targets would have to be justified by cost increases. In other words, what I am saying is that there was every intent that, if anything happens to be worked out, these discussions can proceed with a possibility of equity that is inherent in the system, and this has been made clear to every sector of the economy, namely, that every sector of the economy will bear an equal share.

The suggestions advanced in the working papers did not constitute a firm set of proposals by the federal government but some suggested approaches to provide a basis for further discussions among the various groups. I said from the beginning that the government did not seek to impose a consensus but to help a consensus evolve. The points put forward in the paper were intended to provide a focus for continuing discussion, and as such they are very much in keeping with the consensus process.

I believe it is quite possible to meet many of the concerns voiced by labour, for instance with respect to rents, dividends, professional fees and the position of the export industries. A number of areas of concern that have been raised depend on the extent to which the provinces are prepared to exercise their influence and authority.

I might note that four Atlantic premiers expressed in a recent communique their readiness to throw their full support behind the program for moderating inflation. We are still exploring the extent to which other provinces are also prepared to do so. That is also part of the difficult and complex process of evolving a consensus in a federal state such as ours.

In the absence of full provincial support and co-operation, many of these concerns could only be met by the establishment of an over-all mandatory federal system of controls. It is the only way, as I said in reply to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), in which we would have constitutional authority to do it under the peace, order and good government clause.

In discussions with various groups, we have made every effort to keep them fully informed on the nature of our discussions with other groups and their positions on different issues.

I recall that on January 22, as found at page of 2055 of *Hansard*, the hon. member for Oshawa-Whitby urged me to bring forth a new economic policy, as he said "whose objective is to achieve full employment soon, and at least mitigate the effects of this terrible inflation". He recognized the two problems as being equally important. I want to say to the hon. member that there have been precious few suggestions from the NDP as to how inflation should be brought under control. The traditional position of that party, restated this afternoon, is to advocate the establishment of a government agency empowered to control prices, but to ignore the other side of the coin, namely, wage and salary costs. Both have to be dealt with together if they are to be dealt with at all.

Since wages and salaries make up 70 per cent of the national income, it is perfectly clear that it is simply not possible to moderate inflation unless the rate of wage and salary increases is also moderated and there is some ability to obtain a consensus on this side of the market. The NDP also continues to remain ignorant of the fact—either

ignorant or it ignores it—that bringing inflation under control in Canada is an essential prerequisite to re-establishing full employment, however you define employment.

I want to contrast the position taken by the hon. member for Oshawa-Whitby this afternoon with the position taken by some of his colleagues, including the hon. member for Cambridge-Waterloo (Mr. Saltsman) and the premier of Manitoba. I recall that in the House of Commons on December 19, as recorded at page 2399 of *Hansard*, the hon. member for Oshawa-Whitby said he thought the Minister of Finance "entirely correct in expressing concern about restraint by those who are very well paid in our society". I am quoting the hon. gentleman's words.

He went on to say:

I think that a very good case can be made, for example, for a program that would impose serious restrictions on the capacity of middle and upper income people to extend their wage levels beyond the cost of living increases in the foreseeable future, while others are much lower in terms of their existing income and must deal with an inflationary economy.

I agree with that, and the bias in favour of the lower income groups was apparent in those proposals.

Mr. Broadbent: There is no guarantee they will get it.

Mr. Turner (Ottawa-Carleton): The hon. member for Oshawa-Whitby went on to suggest that an approach to organized labour would be justified, involving discussion of wage gains as part of a package that would involve tax reductions for average and low income people and a wealth tax on upper income earners. In other words, he felt our approach was worthwhile and justified, and that as late as December 19.

Although obviously the government will have to consider all its options in coming before parliament in a few weeks with the budget, I believe that through the process of consultation and compromise it should be possible to reach a mutual understanding that will best serve everyone's interests if the will exists to reach such an understanding. I understand the risk involved for certain leaders in the community, but I want to say that it is equally clear that if there is no disposition to do so, then there would be no difficulty in creating insurmountable obstacles to any agreement being arranged.

In every system involving moderation of prices and incomes, whether voluntary or mandatory, there will always be problems. No one will be perfectly satisfied with every aspect of the problem. It is inherent in this type of arrangement or in mandatory controls that there is a type of rough justice that has to be adhered to, and there will always be one group or another that considers itself treated unfairly, or that considers that another has been overly favoured.

I note the contention of the hon. member for Oshawa-Whitby that the government has no intention of controlling prices. He was quoted in the *Globe and Mail* of May 7 as saying:

Given the ability of corporations who manipulate cost data, the price control guidelines outlined in the government's proposals are simply not capable of effective enforcement.

He repeated that today in other words. If the NDP leader in the House seriously believes that to be the case, one might fairly conclude that their repeated proposals for the establishment of a price board of some kind is nothing more than a sham. Presumably the NDP believes that a regulatory agency would be able to prevent such manipulation. Otherwise they would not have harped so long on the need for some type of price review board.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. I expect the minister to allow me to make a correction in view of the fact that he interrupted me in a recent debate, and I want to make sure that at least we understand each other clearly if we are going to disagree. My specific reference that he quoted was to the particular mechanism proposed by the government, which was involved in dealing with profits as opposed to the prices review board mechanism. My point was that you can disguise profits in a way that you could not disguise market prices.

Mr. Turner (Ottawa-Carleton): I accept that clarification. However, the hon. member did use the words "price control guidelines". In any event, I hope that such a monitoring agency proposed in the discussion papers will be equally capable of doing so.

To bring this to a conclusion—and I thank the House for its indulgence—a process of seeking to develop a consensus on voluntary means of controlling inflation has necessarily been laborious and time consuming. When you are dealing in terms of consultation and in terms of a federal state, and you are trying to bring the various representative elements of an economy together, it takes time and effort. We believe that the time and effort will be well spent if this results in an agreement or an approach that offered some promise of breaking the cost price spiral while at the same time restoring healthy growth of output, employment and real income.

● (1610)

As a result of these consultations we came to the conclusion that any plan that evolved must be flexible enough to make it possible to deal reasonably with exceptional cases. It must make special provision for those at the lower end of the earnings scale in recognition of the fact that they are more adversely affected by inflation than others. It must enable those who have fallen behind the rising cost of living to catch up, and enable all of those who work to keep up with future increases in living costs. It must seek to forestall disproportionate increases at the upper end of the income scale that would result from application of flat, across-the-board percentage hikes.

We recognized that there would, of course, be problems in working out a plan that is totally satisfactory to everyone, but those problems would pale by comparison with the problems that would be created by our failure to work out some form of mutual understanding on prices and incomes.

In any event, the facts as I see them are fairly simple. What it comes down to is that the competitive position of our industries at home and abroad is in danger of being seriously undermined, and the future growth of output, employment, and incomes seriously jeopardized unless inflation is brought under control. Of the three alternatives open to us, voluntary co-operation offers the brightest hope of checking the rising spiral of costs and prices in a way that will best serve the interests of Canadians

individually and collectively. If that turns out not to be possible—and the government is going to assess the present state of those discussions—then I will have to canvass the Prime Minister (Mr. Trudeau) and my colleagues on the options we are to bring before parliament. After we have had thorough discussions in cabinet those options will be brought forward in the budget, or at a time fairly close to or coincidental with the budget.

In any event I am confident that if Canadians face facts at this stage in the economy and weigh the choices and options, they will decide that we are far better off resolving our problems by working together than compounding our problems by working against each other.

I welcome the opportunity that the hon. member for Oshawa-Whitby has given me to put a few facts on the record to clear up this matter.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, during the last few minutes that the minister was speaking I had the feeling that I was listening to one of my own speeches, except that it was not as well delivered!

Some hon. Members: Hear, hear!

Mr. Stanfield: First of all I want to say that I understand the minister may not be able to remain throughout the debate. He has an emergency on his hands, a hospital case. I hope when he leaves somebody else will come in and occupy one or two of the seats on the front bench and show some interest in this important subject.

I also hope that the minister will understand if I say some things that are fairly firm and pointed when he is not here to hear them. I think he can understand that some of these things will not be said for the first time, and they will be said with some feeling.

I intend to offer an amendment to the motion, Mr. Speaker. I want to say that I do not agree with everything the Leader of the New Democratic Party said, but if by any chance my amendment is not accepted by the House I want to make it clear to the minister that I intend to support the motion as one way of making as clear as I can how much I disapprove of the behaviour of the government in recent months.

It is eight months since the Minister of Finance (Mr. Turner) spoke to the Canadian Club in Vancouver and put the fundamental economic alternatives faced by Canadians in these terms:

> One way or another a balance is going to be struck in the allocation of shares of the national income between the various sectors of the economy. We can come together and seek to strike a fair and reasonable balance between such elements as wages, prices and profits through a process of consensus which will make possible continued strong growth of national income to the benefit of us all. Alternatively, we can allow the balance to be determined by the process of prolonged and bitter industrial strife, which could leave everyone considerably worse off by substantially reducing the size of the pie that is available to be shared between us."

It is strange how brightly the light shone for the minister so shortly after the election campaign. How tragic it is that, in the eight intervening months since the minister spoke those words in Vancouver, he and the government have shirked their responsibilities and just let time fritter away in an unconscionable manner. The unavoidable result of all this fooling around is that for many Canadians today the so-called consensus program looks like a sham, and from here at least it looks like it is in a shambles. All through the process there has been too much of an air of gamesmanship—too much secrecy—too little public information and too much confusion, sometimes seeming to be created deliberately. Considering the seriousness of the problems which face Canadians, the government's performance must be vigorously condemned by any member of this House whose concern exceeds partisanship.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister (Mr. Trudeau) told us that he was really the one ultimately in charge of designing and selling this program. But I judge that he has tied a can around the neck of the Minister of Finance and is happy to see it rattle away as hard as it can.

Neither the Minister of Finance nor the Prime Minister really lent their own personal weight to the process, although perhaps the Minister of Finance is so deeply involved now that he is trying to swim. They didn't get behind this process as it was supposed to be developed. That was a dead giveaway as to how seriously they were taking it. They suckered a lot of Canadians very successfully during the 1974 election campaign, and it looks as though they have been at it ever since.

It is not hard to look back and see that the government came out of that election victory celebration with a terrible hangover. That is about all it came out with—except a majority, of course.

I think it hoped that things would improve fairly quickly in the American economy, and if it provided some short term stimulus in the November budget, that would tide us over a couple of rough quarters. As for inflation, Mr. Speaker, when you spend two months of an election campaign selling people on the idea that nothing can be done, then for some decent interval at least, if you are a sincere Liberal, obviously you must do precisely that—nothing.

Then we started to hear about the consensus, first from the Minister of Finance shortly after the new parliament met, or even before—

Mr. Turner (Ottawa-Carleton): In the throne speech.

Mr. Stanfield: I think the minister anticipated the throne speech—he was ahead of the Prime Minister on that point. Then we heard about it in the budget and on and on ever since. I think at the outset the minister expected a pretty speedy recovery of the American economy. He expected price inflation to abate, and he generally assessed that the economy could stand a little wage demand inflation as a function of catch-up. I think that was what the government wishfully thought last fall.

● (1620)

As a follow-through to the dishonest position taken by the minister and his colleagues—because everything the minister could see today concerning the dangers to the economy, the damage being done to the ordinary Canadian by inflation, and the threat to our competitive position, was equally apparent to anyone who was willing to look

last July—the government adopted a basically sound idea. It explored the possibility of an incomes policy. Then it took this basically sound proposition and perverted it into something which I guess it hoped would appear to be an immediate anti-inflation program. So a new dishonesty was born, and a worthy concept has been discredited as a result.

An incomes policy approach is a longer term kind of thing that takes a lot of talking about and a lot of time. For months and months we did not know what the Minister of Finance meant when he talked about consensus. He would not tell us. It was something which was too confidential for this House and country. We were not to know about it. Finally he defined the basic elements of what he had in mind. We recognized then that he was talking about an attempt to achieve some form of voluntary incomes policy.

To try to achieve an incomes policy under duress is, of course, a strange way to do business. So, to give the minister and the Prime Minister and associates the benefit of the doubt, one must assume that the use of a longer term incomes policy proposal as a cover for the absence of any effective short-term action to deal with inflation started out simply as a time-buying operation—something to help them "make it through the night." I think that is the way it started.

When the minister presented his budget in November this was very apparent. The budget did nothing, absolutely nothing, to come to grips with inflation. All we got was another smokescreen about consensus. It was a time buying operation.

The minister's forecasts made at the time of the November budget were shot hell west and crooked within a few months. Sad to say, this has not been an infrequent development. Successive ministers of finance have made poor forecasts. The United States economy was not recovering quickly. Our biggest customer was tightening its belt and our balance of payments position was running from bad to worse. At last the outlook was terrifying the Minister of Finance. Unemployment was climbing, productivity falling, labour unrest growing, housing prices and interest rates started going up again, while housing starts, the value of the dollar, and confidence among the Canadian people were on the decline. So then the government suddenly had to put up or shut up on its consensus program. What began as a time-buying game became a game it had to play in earnest.

We have heard some of the most outlandish things since then. Now the minister says he wants voluntary agreement, or else! He holds out a threat. He has said—the program is voluntary, mind you—that he will introduce a restrictive budget to enforce his position if people do not go along. In effect he has said to labour, "If you do not go along with what we suggest, if you do not agree, we shall bring in a highly restrictive budget and then you will see what it is like."

I have a hard time taking all this seriously. I have to believe that it is more than gamesmanship. If the Minister of Finance is serious, the government, surely, is in the role of a hijacker saying, "Go where I want to go or I'll blow us all up." That's what this kind of play really amounts to. There is nothing so simple and innocent here as, "evaluating the options" or exhausting options. A highly restrictive budget now, Sir, would be the final disgusting act of a sequence of events born in dishonesty, nurtured in complacency, and matured in perversion.

When we saw the document—it is not a proposal; I do not know what it is—we knew then that it had made pretty good sense for the government to hide it. Last Monday, when the details were revealed by the Toronto *Star*, the minister said that it would be premature to comment on the details. On Tuesday he complained that they must have been "earlier working papers." On Thursday, after a statement by the Acting Prime Minister (Mr. Sharp), and after it was common knowledge that they were the most up-to-date expression of the government's thinking that was before labour and business, the minister protested against the press report of the documents and said, and I quote, that they "did not fairly reflect the amplitude or totality of the proposition of proposals in discussion." That was his theme again today.

He left the impression that the reports were so distorted that he could not even recognize the documents as they were reported. Yesterday he asserted he had read the final documentation before it was sent out. What pathetic and tortuous evasion! After reading the documents one can say there is no doubt they had been fairly and vividly reported in the press. The fact is, Sir, that last week, after they started to be leaked out in print, the minister was ashamed of the documents. They provided no meaningful basis for a meaningful response from organized labour, and have only incited a sterile exchange of rhetoric.

Some will argue as to whether a voluntary restraint program can work, or be workable. I suggest that if it is to be workable, if it is to be acceptable, it must be comprehensive, and must elicit unanimity from all sectors of the economy. It must be expressed in specifics by the government. The government pretended it was working on this question all during the fall, all during the winter, and all through the spring, and then it laid an egg. This really stretches one's credulity.

An hon. Member: It was an abortion.

Mr. Stanfield: No. They do not permit abortions for those reasons.

The documents themselves do not necessarily suggest that the government intends simply to restrain wages. I do not intend to suggest that that is the government's purpose. However, they do reveal that where there are difficulties, where some decisions are required, the government has nothing to propose. On professional fees, prices for export industries, dividends, rents, marketing boards, financial institutions and monitoring mechanisms, the government stands exposed as indolent, irresolute, weak and rhetorical.

I have said that I will support a sincere and responsible effort by the government to formulate a program of voluntary restraints, but I am not bound in any way to support or endorse the way the government has conducted or is conducting this exercise.

First, I dissociate myself from the divisive rhetoric of the Minister of Finance. It is hypocritical and irresponsible to wage a campaign for common restraint with an

analysis of the problem that singles out one group in our national community, and with threats of restriction that would single out the weak. I realize the effort of framing such a national program is difficult and politically dangerous. However, I do not feel it is excusable to employ the tactics of the demagogue when things get hot. If I may speak personally, I know something about the difficulties of advocating a demanding and tough response to inflation. However, I sincerely believe I did not threaten the unity that program would require by singling out villains, or threatening repressive and reactionary measures when it was attacked.

● (1630)

Some hon. Members: Hear, hear!

Mr. Stanfield: The Minister of Finance and the Prime Minister describe the consensus process as the third option, but really it is nothing of the kind. A consensus, a recognition of our common responsibilities and an acceptance of the fairness of where we are going, must be the foundation of any effective program to bring inflation under control, while retaining the vitality of our national economy. A sense of common purpose coupled with the will to pursue a common goal surely is something more than an option.

I believe we possess such a spirit in this country, and with a reserve of common sense and determination we can restore the health of our economy. However, our unity is a fragile as well as a valuable commodity, and it is threatened not only by the economic problems we face, but by the conduct of the government at this moment. The Minister of Finance's advocacy of the consensus approach does not capture the common interest, but invites division and is leading to failure.

Some hon. Members: Hear, hear!

Mr. Stanfield: With this government everyone is really wondering what is really going on. This government deluded and misled the public prior to, during, and for a number of months after the last election campaign. It said, "There is little we can do. It is all foreign developments. Controls never work anywhere. There are disasters all over the place." Instead of facing up to the problem that anyone could see was facing the Canadian people, and urging Canadians to face up to the problem, the government has literally led the Canadian people down the garden path.

I call on the government to stop this unmitigated madness, to come to its senses, to come clean with Canadians, and use its mandate for the good of the country. There are some three years to go before another election. There were nearly four years when it started this. This is no time for short term partisanship. It is time for the government to face up to its responsibilities, face the problems of this country and tell the Canadian people what are the problems. If it does that it will certainly have the support of the official opposition.

Some hon. Members: Hear, hear!

Mr. Stanfield: I move:

That the motion be amended by striking out all the words after "in particular for" and substituting therefor the words "its failure to implement a policy of restraint that will be equitable for all Canadians and appropriate for a healthy expanding economy".

Mr. Deputy Speaker: At first glance I have a tendency to hesitate to accept and put to the House the amendment moved by the hon. Leader of the Opposition (Mr. Stanfield). Taking into account that this is a very short day, I feel uneasy about inviting hon. members to become involved in a procedural debate. To my mind the proposal put forward by the Leader of the Opposition brings in not a completely new proposition but a completely new alternative solution. Because of this I have some reservation. I am not in a position to put the amendment in its present terms at this time. If hon. members want to express their views to enlighten the Chair, I will listen to their views as to the procedural acceptability of the amendment. Otherwise, I will take it under advisement and render a decision later.

Mr. Stanfield: Mr. Speaker, I rise on a point of order. I have no desire to chew up any of the time available for debate this afternoon. I put the amendment forward as a constructive proposition. However, I would be very disappointed if we got involved in a procedural argument which would deprive members of their opportunity to speak.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have the same view, that this is not the day for a lengthy procedural debate. Speaking for my colleagues, I may say that we are prepared to leave the decision in Your Honour's hands. We have to do that anyway. I just want to make the point that on opposition days it has been the general rule not to allow amendments from another party if they completely alter the motion as put down by the party whose day it is. Amendments have been allowed if they add something which is incidental to the motion, but not if they strike out most of the main motion. I submit this amendment strikes out the philosophy we have tried to put before the House and puts in something else. That may be what the Leader of the Opposition (Mr. Stanfield) wishes to do. However, I hope Your Honour will find that procedurally it is out of order.

Mr. Baldwin: I just point out to Your Honour two predecents where the hon. member for Winnipeg North Centre (Mr. Knowles), in spite of what he just said, proposed amendments which were accepted by the Chair. They went quite a long distance toward altering the original motions. I simply put them before Your Honour without argument. On March 7, 1972, as recorded at page 600 of *Hansard*, the hon. member for Winnipeg North Centre moved an amendment to a motion which I had moved. As reported at page 1092 of *Hansard* for 1972, a motion moved by the hon. member for Simcoe North (Mr. Rynard) with regard to pensions was altered to a very substantial extent by an amendment moved by the hon. member for Winnipeg North Centre.

Mr. Broadbent: Mr. Speaker, I will just take a minute to add my comments to what has been said. My concern is not whether it is traditional for one party to offer an amendment to another party's motion on an opposition

day. I think the hon. member for Winnipeg North Centre (Mr. Knowles) will agree the more substantial question is whether the amendment alters the motion in a fundamental way. I put forward the proposition that that is precisely what this does.

Looking at the words to be struck out, I do not think it is any coincidence that the amendment proposed by the Leader of the Opposition (Mr. Stanfield) would cut out the democratic socialist core of the motion of my party. In particular I refer to the concluding words where we call for "the related need for government investment planning." That is not coincidental to the motion, as the wording makes clear. Those words are preceded by "a need for". In our view that is inextricably connected with the original motion. Any amendment to strike out that wording would fundamentally alter the motion and, in our view, should not be accepted.

Mr. Deputy Speaker: Order, please. I do not know if I should proceed in this way, but because of the time limit I wonder if the Leader of the Opposition (Mr. Stanfield) would accept the suggestion to amend his motion by adding to the motion a "furthermore" instead of taking away so many words. I do not want to go into the basics of the main motion or the amendment. I have not studied that aspect. But adding words would allow the Chair to accept the amendment in its present form.

● (1640)

Mr. Stanfield: I am entirely reasonable. I want to fight inflation, not my hon. friends down there. If it is more acceptable to the Chair I could add, at the end, the words

"and for its failure to implement a policy of restraint that will be equitable for all Canadians and appropriate for a healthy expanding economy."

Mr. Deputy Speaker: Does the House agree to allow the Leader of the Opposition to modify his proposal?

Some hon. Members: Agreed.

Mr. Stanfield: Then I move, seconded by my hon. friend from Peace River:

That the motion be amended by adding after the word "planning" the words "and for its failure to implement a policy of restraint that will be equitable for all Canadians and appropriate for a healthy expanding economy."

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the New Democratic Party is moving today a no-confidence motion against the Liberal government, pointing out the failure of the latter to plan the national economic to fight not only inflation but also the persistent and uncontrollable rise of the unemployment rate in Canada.

While deploring the fact that the New Democratic Party does not offer any means to remedy the government's negligence and blindness, I must recognize that the greatly perturbed economical and social situation is a direct result of the laziness, and I would even say the inefficiency of the Liberal government, although it is a majority and a strong government. It might well be, Mr. Speaker, because it has a solid majority that things are so bad in Canada, especially in the labour field. This government does not listen anymore to people, it has drifted away from them; it is administering this country as though Canada belonged to it and without any concern at all for the fears and hopes of the Canadian people. There are, Mr. Speaker, excessive claims from one ocean to another. Others are reasonable. At all events, be they excessive or reasonable, the government is turning a deaf ear.

Mr. Speaker, it is not because the Canadian people provided the Liberals with a strong majority in the last federal election that the latter have the right today to legislate during four years without giving any consideration to the claims of the Canadian people. That is surely a harsh opinion, but why not? That opinion corresponds to what the Canadian people demand: this government told the Canadian people in the Speech from the Throne that inflation would be wrestled to the ground, that unemployment would regress and that the Canadian people would enjoy a good and long period of prosperity.

The Minister of Finance (Mr. Turner) repeated that in his November budget. He had forecasted all those good things, those nice promises that can be compared to those that were made during the last election. That is what the Liberals were saying during the last federal election, at the time they were turning down the Progressive Conservative proposal on a price and wage freeze.

The Liberals are bragging when they say that Canadians rejected price and wage freeze during the last election by voting Liberal. If that is true, then it was strickly a negative vote, a vote against Progressive Conservatives and not necessarily for Liberals. If, on the other hand, it was a positive vote, the fact still remains that Canadians sincerely hope for solutions other than price and wage freeze to the serious problems of inflation, unemployment and spiralling prices.

So, Mr. Speaker, no matter how one interprets the vote of the last election which gave the Liberals a strong majority, it must still be recognized that the results after nearly a year of majority Liberal government are yet to be seen and felt. What solutions does this government have to curb inflation? What solutions did the Liberal government take or intend to take to control in one way or another the increase in consumer prices? What are the solutions, Mr. Speaker? The government found a few of them. It decided one day since it was elected to set up a Royal Commission on Corporate Concentration to inquire whether they were making too much profit, whether their demands were exaggerated and whether their influence over the economy created a power parallel to that of the government.

Mr. Speaker, let us not go any further and hope for results that will not be forthcoming from that Commission since, first, that will be another commission whose recommendations will be left gathering dust on shelves, all the more, Mr. Speaker, as the name of one of the members of that Commission is Pierre Nadeau who is president of Petrofina Canada Limited, a large multinational Canadian oil company.

Therefore, Mr. Speaker, this Commission should not be asked to be more objective than necessary because, it is itself facing the same problem that the one it will investigate. This Government, which wishes also to deal with that problem, appointed another commission, the Meat Marketing Commission. Who is sitting on this Commission which has been mandated to inquire whether unrea-

sonable profits are made by middle-men between the producer and the consumer? Its objective is to protect the interest of Canadian consumers in order to avoid abuses in that particular field as we know that today the meat business is extremely important in Canada, especially in so far as the quality of food is concerned. So, who is sitting on this Commission? Who are the investigating commissioners? Representatives or executives of Dominion Stores Limited and executives of Steinberg's Limited.

Again, Mr. Speaker, how could we hope to achieVe positive results and really protect the interest of Canadian consumers when the Commissioners are the very profiteers in the market they are investigating? It is all window-dressing; the government must have plenty of nerve to appoint such commissions as a face-saving move designed to demonstrate to the public its concern for such or such economic sector. But when one sees the resource people used by this government to make investigations, one is allowed to entertain reservations regarding the objectivity of the commissioners, but also of their recommendations, if any.

In his answer to the leader of the New Democratic party, the hon. member for Oshawa-Whitby (Mr. Broadbent), the minister of Finance referred to the working papers prepared by senior civil servants and published in the 7th report of the ad hoc committee; and he suggested that opposition members should read carefully that document which is the first suggestion of a voluntary wages and prices restraint agreement in Canada.

It must be pointed out that the cost of living has increased in every sector of our economy, housing, interest rates, food or production cost. In every case, all the government did was to appoint commissions of inquiry which in my opinion are not trustworthy if you consider the members of those commissions, since the possibility of conflicts of interests has not been discarded.

Moreover, the government was elected and they said on the last election they would wrestle inflation to the ground, try to curb unemployment and try to make way for a fair period of prosperity for Canadians. Like all my colleagues, I heard them make such statements during the last election. The people of Canada trusted this government; they expected efficient solutions, since the ones who were most affected by price increases, by inflation or unemployment are indeed low income people, labourers, farmers.

However, no definite action was taken except for so-called pension escalations, but they had always been part of the budget speeches we heard, either in May 1974 or in November 1974. And we shall probably hear them sing the same song during the next one in May. Proposed fiscal measures are always to the expense of the average taxpayer. The government do not want to interfere directly with the mechanism of prices and salaries. They do not want to impose any rule or any program to the Canadian economy. This government prefers, as a policy, to let things go the way they want to, to make inquiries, to monitor possible abuses. Its economic leadership is superficial in that it does not try to find strong allies to wrestle inflation to the ground, or more efficient tools to stop unemployment.

● (1650)

I have read the working paper which the hon. Minister of Finance (Mr. Turner) referred to in his speech. At page 7, on food prices, a problem which affects most Canadian consumers, it is stated that:

> With respect to food prices, it may be stated in general . . .

And this is a paper by senior officials which is supposed to be the Bible of this new agreement on voluntary restraint which is proposed to us.

> . . . that farmers and fishermen do not have the power to determine the prices at which their products are sold at the farm gate or the fish dock. Thus, the question of restraint does not arise.

This is what we find in the paper written by senior officials and which the Minister of Finance referred to.

What means have we today, if this request for voluntary restraint is not directed to farm producers, be they producers of wheat, meat or any kind of Canadian farm product? Whom is this request of the Minister of Finance directed to? To what extent is this request serious, since senior officials admit that they can do nothing, because, in the area of food, it is not the producers who control prices. If they are not the ones who have to exercise restraint, the middle men or those in charge of marketing will have to.

But marketing is controlled in Canada by Dominion Stores Limited and Steinberg Limited, among others, because they are not the only ones, of course. As I said, these companies have practically a monopoly on the marketing of almost every food product in Canada. They control marketing and probably production. And, Mr. Chairman, they are the direct cause of food prices increases.

However, I have grave doubts that the government will ever dare come to grips with this kind of monopoly or collusion in the Canadian economy or with those profiteering at the expense of both consumers and producers.

The minister called on us to read the document. My colleague for Bellechasse and myself put some questions to him during the question period, concerning the main cause of inflation. That is, the cost of money, the cost of interest charged by the Industrial Development Bank to small businesses, and by the Central Mortgage and Housing Corporation for housing. The minister answered there was nothing he could do about rising interest rates, because this was controlled either by chartered banks, which are private corporations, or by the Bank of Canada in another sector. More importantly, he could not act because this was an international problem. So here comes the "national Trudeau excuse". Nothing we can do. This government, despite its majority, cannot do anything about the cost of money in Canada. But the governor of the Bank of Canada answers directly to the Minister of Finance.

So the Minister of Finance told us today there was absolutely nothing he could do about interest rates. His working paper he wants us to read, because this is his Bible, shows he will not act. Rather, he passes the buck to labour and employers. He says: "Exercise voluntary restraints, because we ourselves cannot or will not do it". He has no solutions to check inflation and unemployment in Canada. That is why he does not act.

On page 8 of the document we read:

Proposals regarding interest

. . . that is to say, increases . . .

—this, of course, comes from the minister's advisers, the ones who devised that consensus scheme—

. . . in interest rates charged by these institutions . . .

—banking institutions, chartered banks—

. . . should be justified by increases in the interest rates which they pay and their operating and other expenses. There has been no discussion yet with representatives of financial institutions.

That is the end, Mr. Speaker. The Minister admits in his working paper, which is the basis of a supposedly effective fight against inflation, that there has been no discussion and no contact between his department and the banking institutions concerning the level of interest rates in this fight against inflation.

Mr. Speaker, I say that Canadians would be stupid to agree to this voluntary arrangement contained in the minister's suggestion, without having first of all the Minister's formal undertaking that the same sacrifices will be demanded of the Canadian banking system as those which will be imposed to Canadians, with salary increases as determined on the first page of this paper.

One of the main causes of inflation and unemployment in Canada is our monetary system and money supply. It has been said in the House that there is inflation because there is too much money in circulation. In fact, Mr. Speaker, we understand today, since we have been hearing the older parties talking about money economy, that there is inflation not because there is too much money in circulation, but in fact because there is not enough money, because our money is losing its value, because it is depreciated and because the prices are spiralling and getting out of control.

There is a solution which strikes directly to the heart of the problem. Mr. Speaker, it is a solution that the creditistes have been putting forward for a long time and which is called consumer price discount. Today, we complain that what is most expensive and affects the prices most is the production costs. Because of prices and production costs, Canadians are going without commodities or food or else they go into debt to obtain them. Such is the situation for Canadians. If one reviews the Statistics Canada figures, one notes that the rate of indebtedness of Canadians is not only increasing continually but that it is reaching obviously dangerous levels.

However, Mr. Speaker, a Food Prices Review Board brochure entitled "What Price Nutrition?", published in February 1975, states that 52 per cent of Canadian families are going without appropriate or sufficient food and without healthy nutrition, because of the prohibitive price of food products in Canada. According to this publication, their diet lacks vitamins C, iron. This is very interesting, Mr. Speaker. I quote:

The significance of the Board's findings in this report is perhaps best considered in light of the Nutrition Canada Survey which was conducted over a 28-month period ending in December 1972. It found large numbers of Canadians with deficient intakes of key nutrients. Nearly 70 per cent of all women between the ages of 10 and 64, for instances, are not receiving enough iron.

[Mr. Fortin.]

Because of the prices.

More than 50 per cent of all Canadians, with the exception of children under 10 and men between the ages of 20 and 39, have sufficient intakes of calcium. Between 10 and 20 per cent of Canadians do not receive enough Vitamin C. And there are other examples.

Why, Mr. Speaker? Because people must watch their budget instead of concerning themselves with the quality of food products. They feed themselves according to their income. Our feeding habits, our physical health depend on the money available. Inflation has become so serious that not only the livelihood but also the health of Canadians are threatened and jeopardized.

The prospects are none too promising either. The minister said earlier that things will improve, that there is no need to worry or panic because that will be back in order.

I will not read all the article but in volume 7, No. 4, of the magazine entitled *Revue de la main-d'œuvre*, Quebec area, second semester of 1974, the prospects are described as follows:

The incidence of the economic slowdown will be probably fraught with consequences for the labour market during 1975; the unemployment rate in Canada should increase substantially because of the anticipated low employment.

Two whole paragraphs are just as encouraging. What an outlook!

As I said, Mr. Speaker, within a year, or six months, the same situation will prevail without any solution being found.

That is why I emphasize this point in order to draw the attention of the Minister of Agriculture (Mr. Whelan) and to incite him to consider the Social Credit proposals related to adjusted discount, which is not a price or salary control but simply an adjustment of wages against the price paid. An excessive increase of products is thus avoided, which allows producers to meet the consumers' demand. There is no other solution.

The government lacks the courage to act, it puts the responsibility on employers and on unions, but, for the time being, it has no proposal to put forward.

Mr. Speaker—

● (1700)

[*English*]

The Acting Speaker (Mr. Penner): Order please. The time allotted to the hon. member has expired.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I join in this debate with mixed feelings because I believe we are really entering into a family squabble in two senses. The other evening those who were with us, and I see that the President of the Treasury Board (Mr. Chrétien) is one of only two Cabinet ministers still with us—

Some hon. Members: Hear, hear!

Mr. Stevens: The President of the Treasury Board stated that he liked the views of the NDP, and he reminded us that, in the words of former Prime Minister St. Laurent, the only difference was that the NDP were in a hurry.

Mr. Baldwin: Both going backwards.

Mr. Stevens: I would also remind the mover of this motion that his good friends on the other side will presumably do exactly what he wants, namely, adopt some type of socialistic plan for the takeover of all productive sectors in the country. I say that because when we were at the meeting of the Standing Committee on National Resources and Public Works only a few days ago one of my colleagues asked the Minister of Energy, Mines and Resources (Mr. Macdonald)—I am sorry he is not in his seat today—about Petro-Can, and whether it was to be the government's policy in general that whenever there appeared to be a private company that it thought, whatever justification it might have, was not doing its full job, the government would form a Crown corporation. The minister said:

—whenever there has been an observed public need, Mr. Malone, we have taken this action, yes.

My colleague then said:

With that philosophy then, potentially all industry at sometime could be government owned?

The minister replied:

If all industry fails to perform and is not going to look after the needs of Canadians, then clearly the government is going to have to move.

An hon. Member: That is pretty good stuff.

Mr. Stevens: As the hon. member for the NDP says, that is pretty good stuff, but I would simply suggest that the motion today is an illustration of the fact that presumably there is a bit of a rift in this coalition between the NDP and the Liberal government.

In a second sense, Mr. Speaker, I suggest what we are seeing today is a rift within the NDP caucus itself. Those of us who watch "Canada AM", periodically will recall the words of the hon. member for Waterloo-Cambridge (Mr. Saltsman), who more or less cleared his soul and told the watching public exactly what was going on within the NDP. He said the fact was that they had lost their purpose and the Liberal party had swung so far to the left, and taken all their ideas, and there was really no future for that party. Therefore I believe that what we have in this motion by the hon. member for Oshawa-Whitby (Mr. Broadbent) is an illustration of how he at least wants to demonstrate that there is some difference between the Liberals and the NDP.

In that respect, I am sorry he has framed the motion in this form, because while we on this side in the official opposition have very little faith in the way the government has been conducting the economic affairs of the country, we believe the motion is wrongly worded and implies at least some type of socialistic planning which is so much an integral part of NDP thinking.

An hon. Member: How will you vote?

Mr. Stevens: In answer to the hon. member who asks how I will vote, let me say that when you are faced with two evils you have to decide which is the worst. As our leader has indicated, and we certainly intend to support his amendment, in order to show our opposition to the government benches we will unfortunately have to vote for the hon. member's motion.

Some hon. Members: Oh, oh!

The Canadian Economy

Mr. Stevens: The Minister of Finance (Mr. Turner) joined in this debate earlier, spending most of his time talking about the consensus program. He stated that one of his alternatives was a highly restrictive fiscal and monetary policy for the country.

This motion before us is really related to the mismanagement of our economy. Surely the government must accept the fact that our present problems can be laid at its doorstep. It is the high government spending and the almost unbelievable increase in the money supply in this country that has contributed more than any other single thing to the inflation we are living with today.

Earlier today I directed a question to the Minister of Finance in which I pointed out that Federal Reserve Chairman Burns in the United States has given a commitment to Congress that he will not increase the money supply in that country by more than 5 per cent to 7½ per cent. I asked our Minister of Finance if he had a similar commitment from the Governor of the Bank of Canada to assure that there would be some restraint in this country.

● (1710)

The minister replied, "Mr. Speaker, the hon. gentleman put this type of question to the House before. Over the whole 12-month period ending March, 1975, the increase in the money supply series has been 12 per cent, M-1,—"there he is referring to the primary money supply system—"a figure which appears to be within the range that is reasonable in the circumstances in terms of the nominal growth of the economy."

Here we have a Minister of Finance telling us that a 12 per cent increase in our money system is reasonable. He failed to point out of course that in the first three months of 1975, the first quarter, the M-1 growth in Canada was 33.1 per cent, compared to a growth in the same quarter in the United States of 4.4 per cent. He also failed to point out that if you review the growth of the money system in the United States and in Canada and compare the two growths, during the period our present Minister of Finance has been in office you will find that our money growth has been almost twice as fast as that in the United States.

Those are the facts. The minister must know this. He fails to level with the Canadian public. Instead he chooses to single out sectors of the economy, such as labour, and blame them for whatever inflationary pressures we now have or which he may feel will occur in the future.

If we turn to the matter of government spending I could give equally alarming figures concerning the growth in federal expenditures under this government. For example, federal government expenditures in 1974 were twice what they were in 1969, three times the amount spent in 1961, or 12 times the 1950 level. Let there be no mistake, that is the fertile ground in which the inflation we are now living with has been planted.

Dealing with this motion and the amendment thereto, I would suggest that first of all we must see how on earth we in this country got into the present position. This is the most fortunate country in the world. We have an alert, growing population, well educated people, and resources that are the envy of the world. We often overlook our good fortune. Canada, with slightly over half of one per cent of

the world's population, has 7.3 per cent of its land surface, 15 per cent of its known fresh water resources, and a disproportionately large percentage of proven and potential reserves of many key minerals including, if you like, the Athabasca tar sands which have potential reserves of oil approximating the total proven conventional reserves of the rest of the world put together.

Similarly we are amongst the world's leading producers of food, grain and livestock. Indeed we have the potential to be self-contained in respect of most vital resources. With such potential one would expect that we could take a significant lead in the world in helping underdeveloped nations and relieving international tensions. At home we would appear to have every ingredient necessary to make our people number one in the world in true wealth, yet we find we are losing, not gaining, relative to other people in the world. Figures recently released show that Canada now is number six in per capita wealth. Imagine! We were number two in the world and we had reason to believe we could be number one, yet under the present Minister of Finance and the present government we have slipped from number two to number six on a per capita basis among the significant countries of the world.

With such a capability in respect of our resources and our people one would expect that poverty would become less and less in this nation. Yet we find the drive to lessen poverty in Canada has made little or no progress in the past 15 years.

I think it is significant to point out that in the previous 200 years significant gains were made in overcoming poverty in this country. If we go back to 1763 we find it is estimated that at that time 95 per cent of the people living in the colonies that are now part of Canada were poor by any standard. By the time of Confederation around 80 per cent were still below the poverty level, but by 1961 those classed as poor in the country were down to approximately 20 per cent. Since then, however, this percentage has remained static—I think this is significant—while the welfare bill in Canada has risen five-fold. In 1975 we will spend more than $22 billion, which is more in real terms than all government spending in 1961. Expressed another way, about 20 per cent of the nation's national income will be used to help relieve those less fortunate, but their plight does not appear to be improving. The modern notion that a state can spend its way out of poverty is not working in Canada.

Surely the time has come when we must seriously ask ourselves why we in Canada appear to be faring so poorly. If one believes the words of the Minister of Finance it would appear that he believes we will do still worse in the future. Why should our real growth now be projected at zero for the current year? In fact under our present Finance Minister we find that not only is our real growth turning to zero but that we have had more unemployment and triple the inflation that we had under former Finance Minister Benson, his predecessor, and we are heading into the highest trade deficit in our history.

Many of us can recall that we complained about Finance Minister Benson, but I can tell you that he was the height of fiscal and monetary responsibility compared to our present Minister of Finance.

I should like to touch on many other points. I would suggest that this government has really been the most permissive government we have ever had in Canada. It will be known as the Permissive Government. It is a government which is permissive on all fronts, not only on the economic front but in respect of law and order. This government has no equal in respect of its permissiveness. Rather than a Just Society they have given us a Permissive Society.

As has often been mentioned, income taxes have risen as a result of the government's action at a much faster rate than real terms would justify. Strikes are becoming an increasing problem; 9.2 million days were lost last year, one of the worst records in the industrial world, compared to 3.9 million days lost in 1969. These are the reasons we believe, in spite of the wording of the present motion, that we must join in condemning the government for the way it has been operating, particularly with respect of the economy. In seven years under our present Prime Minister we have had less real growth than in the previous seven years. Yet there has been three times the inflation, and a higher percentage of our work force unemployed.

Mr. Caccia: Why do you not mention the new jobs that have been created?

Mr. Stevens: At the present time the percentage of our gross national product that is going into government is 40 per cent compared to about 30 per cent in 1960. If this government activity fails, I suggest it fails by being too expansive.

● (1720)

Our friends to the left have often stated that they believe that the epitomy of state planning or of their socialized planning approach is Sweden. I suggest to them that Sweden is perhaps a good example of what not to do or, if you like, what to do if you must have a socialist state.

Some hon. Members: Hear, hear!

Mr. Stevens: I would point out that in that state 95 per cent of the economy is still in private hands, in fact more than in Canada. I would also point out that the Swedes are very careful. Instead of interfering with the private sector, certainly by taking it over, they state quite openly that they believe that the private sector must be preserved in order that they can get the tax revenue needed for their welfare programs.

I would simply suggest that this little alliance of the NDP and, if we believe the President of the Treasury Board, the Liberals, who are really slow NDP'ers judging from his words, will lead us more and more into a state intervention system, one in which we will be placed virtually in a situation where our present economy will become worse and worse, partly due to the lack of direction from the government and partly the unfair interference from the government in the operation of our economy.

If we are ever to put an end to spiralling prices, high interest rates and economic stagnation we must stop the growth of government, especially in the commercial field, and we must put our monetary and fiscal house in order. To reverse the trend of fiscal irresponsibility we need

stronger leadership in Ottawa. We must resist the current feeling that there must be more and more government spending and government involvement. It is hurting, not helping our progress.

I suggest to my friends to the left that our free enterprise system, for all its faults, has at least made this country prosperous.

An hon. Member: The workers did.

Mr. Stevens: But I would also suggest that it is a mile ahead of whatever is running second. Some like to proclaim the inevitability of the demise of this system. I suggest that there is no way in which this system will fall into a demise if we are alert. The fact is that our economic system has raised us from a poverty ridden group of colonies, where 95 per cent of the people were poor by any measure, into a great agricultural and industrial power. We now define poverty in this country at an income level that is higher than the average income level of the world's strongest communist nation, and at a level higher than the average income in 80 per cent of the nations of the world. Yet our government, through its inaction and misdirection, has placed this system in jeopardy.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it will be very interesting to see the hon. member for York-Simcoe (Mr. Stevens) rise in his seat after his attack on the horrors of socialism and the horror of this party and vote in favour of the motion put forward by this party which calls for more government investment planning. It would be interesting to see him support that motion, as his leader will do, after the speech he has just made.

I must say at the outset that when I heard the Minister of Finance (Mr. Turner) today I thought for a while I was seeing the ghost of the Leader of the Opposition (Mr. Stanfield) of a year or so ago, or of the hon. member for Don Valley (Mr. Gillies) retreaded, because the minister's speech was like a rereading of their speeches.

With the wealth that we have in this country and with our resources it is a real tragedy that we have so much inequality and so many inequities between those who have money and the working people who produce the goods and services.

We have a government that claims it cannot do anything for the fundamental reason that it believes in the so called free enterprise system and free marketplace. Of course that no longer exists because today we have large corporations that make the decisions affecting the lives of every Canadian. We do not have the old free marketplace. The Minister of Finance in that type of situation is like an economic eunuch. He does not have any power whatsoever to guide the economy. The only thing he can do is to point a finger at another scapegoat, and the scapegoat that he has chosen on this occasion is collectively the working people of Canada.

Liberal governments have often chosen scapegoats in the past, and now in the recent statements they made they are attacking the working people who, they say, are responsible, because of their wage demands, for a push in the inflationary spiral. They say that the trade unions are responsible. I disagree. It is a highly irresponsible statement that is far from the truth.

The Canadian Economy

I want to spend a few minutes this afternoon speaking about the government's consensus proposals. I believe these proposals are both misguided and unfair. They are misguided in terms of the entire economy, and they are unfair to the working people from one part of the country to the other. They fail to address themselves to the very serious economic problems. They constitute an economic package that runs the risk of aggravating these problems. We are now in a serious recession in our country. The real gross national product fell by 1.3 per cent in the fourth quarter of 1974. After two quarters of stagnation, today's figures show a 2.8 per cent decline in the industrial output index which, adjusted over a year, represents a drop of some 11 per cent in 1975.

All this makes it very clear that we are now in a very serious recession in Canada, despite the predictions of the Minister of Finance last November when he spoke about a real growth rate of some 4 per cent.

Unemployment at a seasonally adjusted rate was 7.2 per cent in both March and April. We now have the highest unemployment rate of any time since the summer of 1961, and economists are predicting that by the end of this year our unemployment rate is likely to hit 8 per cent, and that perhaps one million Canadian people will be looking for work between Christmas and the succeeding year. Housing starts are down for the first month of this year and are running at about 50 per cent of the rate in 1974.

It is clear that we now need a substantial stimulation of the economy to get it moving again, to build homes, and to provide jobs. Our emphasis in parliament must be to create jobs and to stimulate and expand the economy. In fact the Minister of Finance himself from time to time in the past has recognized the urgency of the problem. He had even recognized the fact that higher output and production, a buoyant economy, in the long run are the best means to combat inflation in this country.

In its speech from the throne on September 30 last the government expressed the view that "higher production, not lower, is essential to slowing down price advances". I wish that it would follow its own advice in the month of May. In the budget of November 18 the Minister of Finance said that "the first essential is action to sustain demand". In a speech to that great workers' club, The Canadian Club of Toronto, on January 27, the minister explained that:

> The budget last November—was considerably more expansionary than that in May because of our recognition of the need to offset the economic drag imposed by continuing stagnation abroad.

In the same throne speech the Minister of Finance quoted with approval the review of the C. D. Howe Research Institute, as contained in its "Policy Review and Outlook for 1975," that it is an expanding economy that in time will enable us to grow out of inflation by providing the increase in real purchasing power Canadian families need to meet the increased cost of food and energy.

● (1730)

The Minister of Finance and his advisers said a few months ago that we need an expanding economy and we need to create jobs. But what happened to that analysis in the last few weeks? It disappeared and was replaced by an attempt, subtle and unmistakable, to lay the blame for all

the ills of the economy on the Canadian workers for trying to grab more than their fair share of the national income. He tried to convey the idea that the greed of the Canadian workers has threatened to price Canadian business out of international markets. What he failed to tell us is that a year or two ago when we had excessive profits and price increases, it was those factors which were responsible for making our goods less competitive in the marketplace, rather than the wage increases which are still far below what the working people deserve.

Are workers getting more than their fair share? My party maintains they are not. For three years the government has let inflation go hog wild, has permitted prices to rise unchecked, and has let big corporations get away with profiteering. All this has had the effect of seriously eroding the purchasing power of wages and salaries. In real terms and as a proportion of the gross national product, wages have shown a substantial decline in the last few years.

Figures from the Canadian Labour Congress show that average wages and salaries in real terms—in terms of purchasing power—based on 1972 dollars have declined by 2.7 per cent from the fourth quarter of 1972 to the fourth quarter of 1974.

As a percentage of gross national product, wages and salaries dropped to 53.7 per cent in 1974 from a high of 55.1 per cent in 1971. During that same period corporate profits as a percentage of the GNP increased from 9.7 per cent in 1971 to 13.1 per cent in 1974. Where was the Minister of Finance when that happened? Why was he not protesting? He was dining on filet mignon and sipping champagne with his corporate buddies from Toronto's Bay Street—and the hon. member for Don Valley (Mr. Gillies). Why is he protesting now when the worker is striving to catch up because of the high profit increases of the corporations?

The Minister of Finance recognized—or in the past pretended to recognize—the merit of the argument I am making. I want to read something he said so that the minister and this parliament can realize the change of mind and heart that he has gone through. In this House on February 28 the minister said:

> It is now quite understandable that wage and salary rates are attempting to catch up so as to offer some sort of compensation for the erosion of income . . . as a result of rising prices over the last 18 months.

Then in a speech in Montreal on January 29 he said:

> Salary demands being voiced by organized labour are not out of step with today's reality. Workers are suffering real losses because of the rise in the consumer price index.

Believe it or not that is what the Minister of Finance said a few months ago, before spring came along and he changed his colour.

In a speech to the first ministers' conference last month, before he mounted the Tory bandwagon, he said:

> In many cases, the rise in the cost of living has more than wiped out the benefit an employee expected to gain from the pay increases he has obtained in recent years.

This was the minister just a month ago justifying what we see happening in the economy today. But now, having apparently recognized the justice of the workers' attempt to catch up with rising prices, he tries to do what the hon. member for Don Valley recommended a year ago—to impose wage controls that will see the workers' income fall further behind, and so he attempts to blame our economic problems on the workers' legitimate demands.

Our party will not tolerate that, Mr. Speaker. Our party represents the working people of this country. Our party stands for the redistribution of income and wealth so that the ordinary working person in this country gets the share that he deserves. He is the person who produces, and he deserves the major of the wealth.

Are our economic problems the result of the greed of Canadian workers? Of course not. Even the Minister of Finance admitted they were not. In his budget speech last November he attributed our economic slowdown to the deteriorating economic performance of the countries to which we export, to the decline in housing starts, and to a number of other factors not related to the Canadian worker. At that time he said:

> We believe that the principal threat to the growth of our production and employment comes to us from abroad.

In his speech to the House on March 13 he again expressed the view that our economic slowdown resulted from falling exports that were attributable—not to high wages in Canada—but to serious recessions in the United States, Japan, and the United Kingdom—our three largest customers.

Why, in the last few weeks, is the minister blaming the Canadian worker for the slowdown and the inflation in our economy? Again, in that speech to the Canadian Club of Toronto in January, he said:

> In 1975, the growth of Canadian output will inevitably fall significantly below potential, primarily because of lagging export sales as a result of economic stagnation abroad and a slowdown in housing construction.

I suggest, Mr. Speaker, that all the alarmist talk in recent weeks about excessive wage demands threatening to price us out of world markets is nothing short of bunkum. As we say in the farmyard in Saskatchewan, it is nothing short of pure horse fertilizer, and I know the Minister of Finance realizes that. I suggest that he has adopted this tactic of laying blame at the feet of the workers in a cynical and desperate attempt to divert attention from the real problems in our economy and from the fact that he does not have any new solutions for them.

What is the minister now proposing? He is proposing wage and price controls that will not solve any of our real problems but will only exacerbate the injustices and inequities in our society, and that will have no real long term impact on inflation in Canada. He is suggesting this on a voluntary basis, but if they are to work they will have the same negative effect as compulsory controls would have if they were implemented.

The government has cleverly attempted to create the impression that voluntary price and wage controls somehow are different. I maintain they are not different, Mr. Speaker. During the last election the Minister of Finance argued that wage and price controls would not work against imported goods, which represent about one-third of the goods we consume. He was right, of course, and he is right whether controls are compulsory or mandatory. That does not make any difference, and I am sure any economist would agree with me on that.

He also argued that controls have been ineffective in moderating inflation in other countries, and he was prone to point to the experience of the United States or of the Conservative Party in Britain. Why is the minister now trying to reach consensus? If voluntary controls are to work they will have the same effect as mandatory controls, and will cause the same distortion in the economy.

I do not believe that anyone can take what the minister is saying very seriously. He is saying that the working people whose wages are out in the open are the ones who have to toe the line, that they cannot have wage increases any higher than 12 per cent or $2,400 a year, whichever is the lesser. That sort of position will discriminate against the person working as a janitor, or working as a waitress. It will discriminate against the ordinary working person of this country, but not against the man making $20,000 a year, the member of parliament, the judge, the corporate executive, the lawyer, the doctor, or any other professional person earning fees.

● (1740)

I cannot take seriously any program which does not treat all Canadians equally, which does not have as its basic point and essential philosophy the notion of equality, the notion that we should narrow the gap between rich and poor, and redistribute income so that the low income person of this country will gain a greater share of our national wealth.

I notice, sadly, although with humour, that the minister forgot to tell us about interest rates. He forgot to talk about dividends, rents, and a number of other forms of income, because he represents the people in our country who get such income. He and the government govern for those people. He excludes interest rates because he thinks that the financial institutions can better look after them. He excludes dividends, because he thinks that we need large dividends in the private sector to stimulate the economy. These are things to which my party, a democratic socialist party, does not subscribe. We believe now that the priority is to stimulate the economy, to increase employment and beat inflation.

We need more production in the economy. We need to redistribute wealth so that ordinary, low income people will have a greater share of our national wealth. If we do this with significant tax cuts, these people can purchase goods and commodities, and we shall create jobs. We need to build houses; nothing stimulates employment more than the building of houses. We need to build 200,000 houses in addition to the ones already proposed or under construction. Building on this scale would stimulate the forest industry, the construction industry, and those industries which provide drapes, furnishings, carpets and other commodities which go into a house.

Our party also thinks that we need a national economic development plan under which the government, as the representative of the people, would do the planning and the investing instead of leaving this to the multinational corporations. That way we could invest according to our social priorities, not according to the dictates of the profit factor or the ledger. We would let the Canadian people make the decisions. Under such a plan our non-renewable resources would be placed under public ownership and developed by the provincial and federal governments. The Canadian people would control their own financial institutions, and decide what is really important for them.

We have to do this if the ordinary citizen is to share more equally in our national wealth. Surely it is the wish of the Canadian people, as it is of the NDP, to establish justice and equality in this country for one and all.

The Acting Speaker (Mr. Penner): Order, please. It being 5.45 o'clock, it is my duty, pursuant to section 9(a) of Standing Order 58, to interrupt these proceedings and forthwith put every question necessary to dispose of the motion which is now before the House.

The question is on the amendment in the name of the Leader of the Opposition (Mr. Stanfield).

All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the amendment to the motion (Mr. Stanfield) which was negatived on the following division:

● (1750)

(*Division No. 48*)

YEAS
Messrs.

Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Benjamin
Blackburn
Brewin
Broadbent
Cadieu
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dinsdale
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Fairweather
Firth
Forrestall
Fraser
Gillies
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Johnston
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Munro (Esquimalt-Saanich)
Murta
Neil
Nystrom
Paproski
Patterson
Peters
Ritchie
Roche
Rodriguez
Rynard
Saltsman
Schellenberger
Schumacher
Scott
Skoreyko

Division

Messrs.

Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Whittaker
Wise
Woolliams
Yewchuk—80.

NAYS

Messrs.

Abbott
Allard
Anderson
Appolloni (Mrs.)
Basford
Béchard
Blais
Blaker
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caouette (Villeneuve)
Caron
Chrétien
Collenette
Comtois
Condon
Corriveau
Côté
Cullen
Cyr
Danson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Fortin
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guilbault
Haidasz
Herbert
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
Matte
McIsaac
McRae
Milne
Munro (Hamilton East)
Ouellet
Pearsall
Penner
Philbrook
Pinard
Portelance
Railton
Raines
Reid
Richardson
Roberts
Rondeau
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Tessier
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—108.

● (1810)

Mr. Speaker: I declare the amendment lost.

Amendment (Mr. Stanfield) negatived.

Mr. Speaker: The question is now on the main motion.

The House divided on the motion (Mr. Broadbent), which was negatived on the following division:

(*Division No. 49*)

YEAS

Messrs.

Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Balfour
Beatty
Benjamin
Blackburn
Brewin
Broadbent
Cadieu
Caouette (Villeneuve)
Carter
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dinsdale
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Fairweather
Firth
Forrestall
Fortin
Fraser
Gillies
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Holmes
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Masniuk
Matte
Mazankowski
McCleave
McGrath
McKenzie
McKinley
McKinnon
Munro (Esquimalt-Saanich)
Murta
Neil
Nystrom
Paproski
Patterson
Peters
Ritchie
Roche
Rodriguez
Rondeau
Rynard
Saltsman
Schellenberger
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Whittaker
Wise
Woolliams
Yewchuk—83.

NAYS

Messrs.

Abbott
Anderson
Appolloni (Mrs.)
Basford
Béchard
Blais
Blaker
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Collenette
Comtois
Condon
Corriveau
Côté
Cullen
Cyr
Danson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guilbault
Haidasz
Herbert
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lang
Langlois
Laniel
Lapointe
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Ouellet
Pearsall
Penner
Philbrook
Pinard
Portelance
Railton
Raines
Reid
Richardson
Roberts
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Tessier
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Yanakis
Young—103.

Mr. Speaker: I declare the motion lost.

Motion (Mr. Broadbent) negatived.

Mr. Speaker: Pursuant to Standing Order No. 2 the House stands adjourned until two o'clock tomorrow afternoon.

At 6.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 15, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

INDUSTRY

REQUEST FOR AID TO FOREST INDUSTRY IN QUEBEC—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, pursuant to the provisions of Standing Order 43, I wish to move a motion on a matter of urgent and pressing necessity.

In view of the deplorable situation presently prevailing in the forest industry in Quebec and in view of the very high unemployment rate which affects the Canadian society and economy, I move, seconded by the hon. member for Champlain (Mr. Matte):

That the House consider the opportunity to provide immediate assistance to the forest industry in order to revive the economy of our area.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

* * *

[*English*]

PRIME MINISTER'S OFFICE

SUGGESTED NAMING OF DONORS OF SWIMMING POOL TO ASCERTAIN POSSIBLE CONFLICT OF INTEREST—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion that is self-explanatory. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That in view of the Washington announcement that a swimming pool will be constructed in the White House and that the President of the United States is prohibiting donations from business corporations and labour unions, that no donation over $1,000 will be accepted, that the total cost of the pool will be approximately $52,400, the House calls upon the Prime Minister to immediately follow this example of full disclosure by announcing forthwith all details surrounding construction of a $200,000 swimming pool at his official residence at 24 Sussex Drive with the names of all donors and the amounts donated being made public immediately in order to clearly establish whether or not improprieties or conflict of interest factors exist.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR INVESTIGATION OF USE OF GOVERNMENT SYMBOLS ON STATIONERY OF PRIVATE ORGANIZATIONS—MOTION UNDER S.O. 43

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of the fact that educational institutions, government departments and Crown corporations are involved in what appears to be a deliberate scheme to identify a society with the government of Canada by the use of stationery and other devices, and in view of the fact that neither the Solicitor General (Mr. Allmand) nor the Secretary of State (Mr. Faulkner) appear to know the background or to be knowledgeable enough to inform the House as to how this deplorable situation was allowed to develop, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That an immediate investigation take place pursuant to the Inquiries Act.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—INTENTION OF GOVERNMENT WITH REGARD TO PUTTING RESTRAINT PROPOSALS BEFORE PROVINCES, LABOUR AND BUSINESS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime

Minister. Yesterday the Minister of Finance said, and I quote:

The suggestions advanced in the working papers did not constitute a firm set of proposals by the federal government—

That was with regard to the consensus program. Now that the meeting and discussions have taken place, is it the government's intention to put a firm set of comprehensive restraint proposals before the provinces, labour and business?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the proposals that were put forward for discussion purposes only are being followed up by discussions with the labour unions, the business organizations and possibly other groups. If out of these discussions emerge a more definitive set of proposals, of course they would be made. However, as the Leader of the Opposition knows, in a process of this kind we can only make progress if there is in advance some indication of the kind of support there would be for the proposals.

INFLATION—POSSIBILITY OF MORE MEETINGS WITH PROVINCES, BUSINESS AND LABOUR SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Are there in fact more meetings scheduled with the representatives of labour or business before the government makes this assessment as to the propects of a consensus program and the presentation of a budget?

● (1410)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the ministers who have had the most recent discussions have been discussing those meetings with their colleagues. We have not yet had a thorough appraisal and until that is completed I cannot answer the question.

Mr. Stanfield: A final supplementary, Mr. Speaker. The whole thing seems to be in an even greater state of confusion than I dared anticipate. Could the Acting Prime Minister tell the House whether it is the intention of the Prime Minister, since the Minister of Finance has said that a good deal is expected of the provinces if a consensus is to be really comprehensive, to canvass the provincial premiers to assess their reactions, even to the fragmentary and informal suggestions that they have received from the Minister of Finance?

Mr. Sharp: Mr. Speaker, it would be our intentions to have discussions with the provincial governments since, of course, in many areas the provincial authorities do have jurisdiction and authority. Whether it would be at the prime ministerial level or otherwise has not yet been decided.

INFLATION—POSSIBILITY OF MEETINGS WITH WOMEN'S GROUPS IN SEEKING CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a further supplementary question for the Acting Minister of Finance. As the government during their consensus discussions have met with various groups, hopefully from all sectors of our population, including, for example, the CLC and certain business representatives, would the Acting Prime Minister indicate whether any similar meetings have been held with women's groups, such as the National Council of Women, with a view to arriving at a meaningful consensus, and if not, why not?

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, as you know, the government believes that one should not discriminate against women. If one is talking to the business community, one should not try to sort out the male side of the business community from the female side. Consequently, in looking at the large groups, government, business and labour, there has been no attempt to make special arrangements to meet the female side of any of those institutions.

INFLATION—POSSIBILITY OF FURTHER MEETINGS WITH CONSUMER GROUPS SEEKING CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): A supplementary question, Mr. Speaker, for the Acting Minister of Finance. As the representatives of the government have recently met during the inflation talks with certain labour union leaders and only yesterday with representatives of business, would the Acting Minister of Finance indicate whether, subsequent to the one hastily called meeting in Ottawa in early April, he has held any further meetings with consumer or social worker groups, such as the Canadian Council on Social Development?

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, to the best of my knowledge no further meetings have been held at the ministerial level with the groups mentioned. There have, however, been what are known as consultations at the technical level, which are meetings between officials rather than ministers.

INFLATION—REASON FOR REJECTION OF GOVERNMENT PROPOSALS FOR RESTRAINT BY BUSINESS—POSSIBILITY OF COUNTERPROPOSALS BY BUSINESS

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Prime Minister in the absence of the Minister of Finance. In view of the fact that the representatives of Canadian business with whom the minister met yesterday seemed to have rejected the government's proposals for wage and price control, can the Prime Minister inform the House whether he has been informed of the reasons for that rejection, and can he say whether the business community has given the government a shopping list of proposals, as the Canadian Labour Congress has?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the question, perhaps inadvertently, has conveyed the wrong impression. We did not put a proposal to the businessmen for wage and price controls. They may have expressed opinions on that, but according to the report that I had of the meeting, they were prepared to discuss constructively further with the minister and other ministers the whole question of seeking a consensus and exercising restraint in the economy.

Mr. Saltsman: A supplementary question. In connection with the meeting, can the minister indicate what was the nature of the reservations expressed yesterday, and what was the response of the government to those reservations?

Mr. Trudeau: Mr. Speaker, my understanding is that the businessmen themselves have not reached any kind of unanimous position, that some were very much in support of the government proposals, others were doubtful of them and others proposed other means. We have agreed to continue discussions with them.

INFLATION—SUGGESTION ONLY RECOURSE OF GOVERNMENT TO CONTROL IS RESTRICTIVE FISCAL POLICY

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, in view of the three options posed by the Minister of Finance in the last several weeks for solving the alleged problems of inflation, namely compulsory wage and price controls, which has been rejected by the minister himself, and voluntary controls, which seems to have been rejected by those with whom the minister has been consulting, is it the Prime Minister's view that he has no choice now except to bring in restrictive fiscal and monetary policies?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, not at all. Nor would I agree with the premise that voluntary restraint has ceased to be a possible alternative. What I did note is that the hon. member was not talking about inflation but about alleged inflation, which is very interesting to hear.

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[Translation]

NATIONAL SECURITY

BASIS ON WHICH CANADA BECAME MEMBER OF INTERPOL

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the hon. Solicitor General.

In view of the fact that no legislation has empowered Canada to become a member of Interpol, would the hon. minister tell whether there is any document empowering Canada to become a member of that international organization? If so, would the minister be willing to table that document?

[English]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, there is correspondence setting out the methods by which Canada became a member of Interpol after the war. No legislation was necessary, but I will look into the possibility of whether these letters and correspondence can be filed.

[Translation]

Mr. Rondeau: Mr. Speaker, I wish to ask a supplementary.

In view of the fact that communist countries such as Roumania, Yugoslavia and Cuba are already members of Interpol and are thus in a position to secure information concerning Canadian citizens through that organization and then pass such information along to other communist countries, members of Interpol or not, does the hon. Solicitor General foresee in view of that situation, any potential danger for Canada's security?

[English]

Mr. Allmand: No, Mr. Speaker. Interpol is used simply as a means of exchanging information on criminals activity. It is not used for security or intelligence matters in any other way, and the fact that Roumania, Yugoslavia and Cuba are members of Interpol does not constitute any threat as far as we can see to Canada or its citizens.

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THE CANADIAN ECONOMY

INFLATION—SUGGESTED EXPLANATION TO BUSINESS OF PRICE JUSTIFICATION LEGISLATION AS MEANS OF GAINING AGREEMENT TO VOLUNTARY RESTRAINT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to the question asked earlier by the Leader of the Opposition, and I direct it to the Prime Minister. In view of the fact the Minister of Consumer and Corporate Affairs has announced he is ready to proceed with his price justification legislation, and since this would obviously form an important part of the government's anti-inflationary measures, will the Prime Minister explain to the House why the Minister of Consumer and Corporate Affairs was not present yesterday at a meeting of the business community in order to explain this legislation and perhaps put it forward as a means of getting them to agree to voluntary restraints?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in this government one minister relies on all his colleagues as he knows they will represent him in a very forthright way.

INFLATION—INTENTION OF GOVERNMENT WITH REGARD TO PRICE JUSTIFICATION LEGISLATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, is it the intention of the government to proceed with the so-called price restraint or anti-profiteering legislation before the end of this session?

Right Hon. P. E. Trudeau (Prime Minister): Theat is certainly a distinct possibility, Mr. Speaker, but it would depend on when this session is intended to end. As the hon. member knows, between now and the end of June, the normal time for adjourning for the summer break, there are more or less 15 government days. If the hon. member glances at the order paper, to which there will be an addition as we will most likely have a budget which will require several days debate, he will realize that we cannot possibly pass all the legislation this government finds desirable, and on which the opposition has been dragging its feet.

Some hon. Members: Oh, oh!

● (1420)

Mr. Speaker: The hon. member for Kootenay West.

Mr. McGrath: Why do you not provide some leadership.

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

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BANKRUPTCY

SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA—REASON FOR PERMITTING CLOSE ALIGNMENT WITH OFFICE OF SECRETARY OF STATE

Mr. Bob Brisco (Kootenay West): Thank you, Mr. Speaker. My question is addressed to the Secretary of State. I should like to ask the minister if he is able to tell the House and the country why an apparent massive fraud by the Society for the Study of the Heritage of Canada, which aligned itself so closely with the Secretary of State's office in terms of grants, deceptive wording and stationery, was allowed to operate without the apparent knowledge of the minister or monitoring by him or his department?

Hon. James Hugh Faulkner (Secretary of State): Well, Mr. Speaker, without accepting the language of the question, what I have done in response to the question raised by his colleague yesterday was to pull together the material and I would be pleased to share it when it is together which should be tomorrow or the next day.

Mr. Speaker: One supplementary by the hon. member for Kootenay West.

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AIR CANADA

EXTENT OF INVOLVEMENT WITH HERITAGE CANADA—REASON FOR ISSUING BOTH FIRST AND ECONOMY CLASS PASSES TO EMPLOYEES OF TRAVEL COMPANIES

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my supplementary is directed to the Minister of Transport. Would the Minister of Transport advise the House to what extent the society is involved with Air Canada and the Canadian Transportation Commission and why it is that the practice of Air Canada seems to be to issue both first-class and economy passes to the employees of private companies engaged in the travel industry. Is this a practice of Air Canada, and why is it being allowed to continue?

Mr. Speaker: I am sorry, but I have great difficulty relating that question to a supplementary by the hon. member.

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THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF MEETINGS WITH FARM GROUPS IN SEEKING CONSENSUS ON RESTRAINT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Acting Minister of Finance. I should like the minister to tell the House whether in his attempt to seek a consensus on restraint he is communicating with the representatives of the primary agricultural producers of this country who have been hit the hardest by inflation. We want to make sure that the new program put forward will not give them the short end of the stick, once again, as has been the case in the past.

Hon. C. M. Drury (Acting Minister of Finance): Mr. Speaker, at an earlier stage there were meetings with representatives of the agricultural industry across Canada. They were quite extensive meetings. There have been continuing consultations by the Minister of Agriculture with these groups.

Mr. Yewchuk: Mr. Speaker, I wonder whether the Acting Minister of Finance would agree to make a statement in the House concerning what plans there are for agriculture in the restraint program proposed by the government.

Mr. Drury: Mr. Speaker, I should like to look into that question before giving an answer.

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LABOUR CONDITIONS

REASON FOR DELAYING INQUIRY INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. I am wondering whether the Prime Minister would confirm or deny to the House that one of the factors in the intolerable delay and stalling in respect of setting up a public inquiry into the SIU is that a number of the ministers of his cabinet including, I am lead to believe, the Prime Minister himself received some type of assistance during the election campaign.

Mr. Speaker: Order, please. The hon. member for Moose Jaw.

Mr. Lawrence: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member for Northumberland-Durham on a point of order.

Mr. Lawrence: Is that question out of order, Mr. Speaker, and if so, why?

Mr. Speaker: There is no obligation on any minister to answer any question. If there is no answer forthcoming, there is no need to pursue it.

Mr. Lawrence: I believe he is ready to answer.

Mr. Speaker: The hon. member for Moose Jaw.

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AGRICULTURE

GRASSHOPPER INFESTATION—REQUEST FOR ASSURANCE OF SUPPLY OF CHEMICALS TO COMBAT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Agriculture. In view of the forecast

threat of a grasshopper infestation in the prairies as serious or more serious than last year, can the minister assure the House that there will be adequate supplies of chemical to combat the threat.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my information is that in order to make sure that the supplies are available, because of shipping conditions, aircraft are being used to bring in supplies of the chemical. I have been given assurance that everything will be done to make sure there is a proper supply on hand. I am waiting for an updated report which I should have tomorrow but which I do not have today.

Mr. Neil: Mr. Speaker, in view of the high cost of the chemical, is it the minister's intention to institute a program to give assistance to the farmers to help them in their part of the cost?

Mr. Whelan: Not at the present time, Mr. Speaker.

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HARBOURS

MONTREAL—ABILITY OF MARITIME EMPLOYERS' ASSOCIATION TO MEET LOAN COMMITMENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. I hope that today he will be able to shed some light on the degree to which the government must now be asked to or must participate in the honouring of certain guarantees on loans made by the Maritime Employers' Association.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it is known that loans have been made to the Maritime Employers' Association. I believe that in May of last year a loan of $7.2 million was made to MEA, through the banks, in order to finance the buy-out and the operational deficits of the organization. I know that in a week the MEA will probably have to refinance its organization because otherwise they might not be in a position to keep it going and to meet their obligations. What we are doing now is to look at the structure of MEA and the kind of relationship they have with the union. The first priority now is to maintain payments to the workers up to the end of June, and after that we will have to move one way or the other.

Mr. Forrestall: I have a supplementary question for clarification, Mr. Speaker. Is the minister telling us that at this point in time the government is not prepared to accept its responsibility with respect to guarantees in default of loans? Is the minister indicating that at present the government will not underwrite those loans in the event that MEA is not able to meet its requirements to the banks because of the relationship generally of one port to another in eastern Canada?

Mr. Marchand (Langelier): No, Mr. Speaker. Last year when we lent this money there was an understanding that it would be repaid with a surcharge of 20 cents or 40 cents. I believe it was 40 cents, and 20 cents was supposed to be paid back to the government, ten cents to each of the two banks involved in the deal.

Mr. Fairweather: Yes, the way I pay my loans.

Mr. Marchand (Langelier): Of course, we want the banks to stick to the agreement because we have to maintain payments to the workers. I cannot give a clear answer. They are now negotiating about how they will proceed to the end of June when we will consider a new scheme in order to maintain the port of Montreal in operation.

GOVERNMENT INTENTION WITH REGARD TO DEFICIT OF MARITIME EMPLOYERS' ASSOCIATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct my supplementary question to the Prime Minister and ask him whether or not it is the intention of the government to underwrite the deficit of the Maritime Employers' Association with respect to the ports of Montreal, Trois-Rivières and Quebec. This is a fairly straightforward question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Transport has been dealing with this very subject. I have nothing to add to what he said.

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IMMIGRATION

POSSIBILITY GREEN PAPER ENGENDERS RACISM—REQUEST FOR EMPHASIS ON CONTRIBUTION OF IMMIGRANTS

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, my question is for the Prime Minister and it arises out of the recent tragic rash of apparently racially motivated violence in Toronto, culminating in the death of a youth in my riding last week and of a five year old girl this week. I am sure the government is concerned that the immigration green paper process, in focusing attention on immigrants and their effects on Canadian society—

Some hon. Members: Question.

Mr. Stanbury: —not excite, racism, as some fear it is already doing. Will the Prime Minister consult with the Minister of Manpower and Immigration, the minister in charge of multiculturalism and the Secretary of State responsible for citizenship and national unity, to ensure that there is an intensive program in conjunction with the immigration green paper process to acquaint the public with the positive contributions to Canada which immigrants have made and are making to Canada—

● (1430)

Some hon. Members: Hear, hear!

Mr. Stanbury: —economically as well as socially, and to promote a greater sense of community and understanding in our multicultural society?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member is making a very valid

suggestion on a matter of great concern to this government, and I will certainly follow it up in discussions with the ministers, as he suggests.

In the meantime I want to repeat to this House what I have said before, both inside and outside of Canada, that the green paper is not a policy paper. It is one meant for discussion. But in any and all events, the federal government is committed, and will remain committed, to a policy which is non-discriminatory as between races, ethnic origins, language groups, countries of origin or religions; and second, that it will continue to rely heavily on an immigration policy which lends emphasis to the necessity and desirability of reuniting families; and third, we will always keep in mind Canada's desire to make exceptions in the case of refugees.

Some hon. Members: Hear, hear!

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FOREIGN INVESTMENT REVIEW ACT

ALLEGED STATEMENT BY PAUL MARTIN ACT NOT INTENDED AS BARRIER TO FOREIGN INVESTMENT—GOVERNMENT POSITION

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Prime Minister. Was the Hon. Paul Martin, Canada's High Commissioner to Britain, stating government policy when he said in a speech to the Canadian-United Kingdom Chamber of Commerce, as reported in this morning's press, that the Foreign Investment Review Act is not intended as a barrier to foreign investment in Canada and that, and I quote, "Canada today is one of the least restrictive of industrialized countries with respect to foreign investment"?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, obviously that is a statement of opinion by the High Commissioner. I am glad it came out so clearly and in such forthright language. It will put an end to the innuendos about Paul Martin.

Some hon. Members: Oh, oh!

GOVERNMENT VIEW OF EFFECTIVENESS OF ACT

Mr. Cyril Symes (Sault Ste. Marie): Once again the Prime Minister has demonstrated his ability to not answer questions. I will try a supplementary to the Minister of Industry, Trade and Commerce. In view of the fact that at latest count 55 foreign takeovers have been approved out of a total of 66 applications processed, a rate of approval which is running at almost 85 per cent, does the minister consider the act to be operating successfully and in a way which will reduce the domination of our economy by foreign, and particularly United States, corporations.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the act is working very well, and if there were more interest on the part of the hon. member's party, he would be able to receive answers by putting questions to me when I appear before the standing committee. I have appeared before that standing committee on two previous occasions for two hours each time, and there has not been one question from his party.

Mr. Symes: The government is batting 200 here. Neither the Prime Minister nor the minister has answered the question. I will try once again and ask the minister, who is responsible for these questions in the House, with respect to the particular takeover on February 25 of this year by Pacific Petroleum of oil and gas properties owned by Wizard Oils Limited and two other Canadian firms, can the minister explain to the House why he considers it of significant benefit to Canada to increase the foreign control of Canada's petroleum industry beyond the level it has already reached, which is 99 per cent foreign-owned?

Mr. Speaker: Order, please. I am sure the hon. member realizes that despite the minister's previous comment, the hon. member is not following that; this is precisely the kind of question that ought to be asked in the committee and not here in the House.

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EXTERNAL AFFAIRS

VIET NAM AND CAMBODIA—GOVERNMENT INTENTION WITH REGARD TO RECOGNITION OF NEW REGIMES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Has the government decided to extend diplomatic recognition to the new government in South Viet Nam?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer is yes, on my instructions, yesterday.

Some hon. Members: Shame!

Mr. MacEachen: The Department of External Affairs sent a telegram to the foreign ministry of the Provisional Revolutionary Government of the Republic of South Viet Nam. The telegram informed the foreign ministry that the government of Canada thereby recognized the Provisional Revolutionary Government of the Republic of South Viet Nam as the sole legal government of South Viet Nam. The telegram also expressed the proposal of the Canadian government that discussions be entered into as soon as it is convenient to both sides with a view to establishing diplomatic relations.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a supplementary question because this is very interesting. Has the government agreed to recognize the new government in Cambodia in light of events now taking place?

Mr. MacEachen: Mr. Speaker, that was done some time ago.

HOUSING

POSSIBILITY OF CONSULTATIONS WITH PROVINCES ON MEASURES TO STIMULATE CONSTRUCTION PRIOR TO BUDGET

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of State for Urban Affairs, and it is further to his reply to me on May 2 that he would have to find ways to get housing programs moving faster. Given the critical situation in the housing sector, I would like to ask the minister if, in connection with the consensus program, he plans to meet with his provincial counterparts prior to the presentation of the budget, and if he will be proposing shelter guidelines at any such meetings.

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have spoken to my colleagues the ministers of housing in all the provinces in the last several days. I also have met with them during the consultation process. We continue a very amicable, constructive, and co-operative relationship.

Miss MacDonald (Kingston and the Islands): Could the minister say if there will be any formal meeting with the provincial ministers of housing prior to the presentation of the budget?

Mr. Danson: Formally or informally, I will be in touch with them, and we will be discussing all matters of mutual interest.

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THE CANADIAN ECONOMY

INFLATION—GOVERNMENT POSITION ON IMPOSITION OF PRICE AND WAGE CONTROLS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Prime Minister. Was the Minister of Finance correctly enunciating government policy when he categorically rejected involuntary wage and price restraints as one of the options open to the government to deal with the present problems?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is the first news I have heard of this. I wonder if the hon. member is not being misinformed when he quotes the Minister of Finance as having said that.

Mr. Baldwin: I ask the Prime Minister directly whether the government has rejected involuntary wage and price restraints as one of the options open to deal with the present economic situation.

Mr. Trudeau: I am glad the hon. member got round to asking the question directly. The answer is no, Mr. Speaker.

LABOUR CONDITIONS

LABOUR DISPUTES IN QUEBEC—GOVERNMENT ACTION TO CONTROL VIOLENCE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Prime Minister. With regard to the escalation of labour disputes, and the considerable violence attached thereto, which has been such that the premier of Quebec has likened it almost to a form of war, what measures has the federal government considered to help deal with this situation and to limit the disputes within the confines of law and order?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should know that the disputes are now arising as a result of a provincial inquiry into the construction unions in Quebec, and the whole area remains within provincial jurisdiction. We stand ready to hold discussions with the province, if it wants to turn to us for advice, but we do not feel that it is desirable for us to intervene into one of their areas of constitutional jurisdiction.

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EXTERNAL AFFAIRS

CAMBODIA—POSSIBLE COMMENDATION OF UNITED STATES FOR CURBING ACTS OF PIRACY

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is to the Secretary of State for External Affairs. Has the minister sent, or will he be sending, a message of commendation to the United States government for the decisive and necessary action taken to curb acts of international piracy?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker. I have received one or two messages from the United States government explaining the reasons for their action and the outcome of the action, but I have not yet replied.

Mr. Muir: When the hon. gentleman has an opportunity to go over the whole matter, will he be replying along the lines I have mentioned?

Mr. MacEachen: Mr. Speaker, I would like to think about that.

Some hon. Members: Oh, oh!

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FOREIGN INVESTMENT REVIEW ACT

DATE OF PROCLAMATION OF PART II

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In light of the recent policy statement of the minister of industry of Quebec indicating that his province now agrees that new foreign investment projects should be allowed to proceed only if they meet conditions which appear to be those required under the Foreign Investment

Review Act, can the minister now say exactly when the government will proclaim in force Part II of that act dealing with new foreign investments?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I expect to be discussing this matter with my colleagues in the very near future.

Some hon. Members: Oh, oh!

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[*Translation*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—SUGGESTED SETTLEMENT OF GRIEVANCES

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the hon. Minister of Labour.

In view of the fact that the compulsory return to work was not welcomed by longshoremen and that several basic areas of conflict have yet to be settled to the satisfaction of the parties concerned, has the hon. minister considered the possibility of settling the matter in a satisfactory way, so as to avoid work stoppages for any minor reason?

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I have been watching the situation closely. I think one of the principal elements still remaining, and a subject of controversy, is the question of overtime. My advice is that the employer organization, the MEA, and the union are endeavouring to work this matter out, but in the meantime the men have returned to work and are working the normal hours.

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TRANSPORT

TRANSFERENCE OF FISHING WHARVES TO FISHERIES MINISTRY—REASON FISHERMEN CHARGED WHARFAGE FEES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I would like to direct my question to the Minister of Transport. Several months prior to the election of 1974 the then minister of fisheries advised fishermen that there would be a transfer of fishing wharves from the Department of Transport to the authority of the minister of fisheries, that policy in respect to wharfage would be reconsidered and the new policy enunciated. Would the Minister of Transport advise the House if these wharves have indeed been transferred to the Minister of State (Fisheries), and if so, why are wharfage fees still being assessed and fishermen being charged in court for non-payment of these while the new policy is pending?

● (1440)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, actually they have been transferred to the Department of Fisheries. Indeed, after we talked together yesterday, I sent that note to the department. I hope to get the answer on the fees they have to pay, and for which I have no explanation at all.

[Mr. Gray.]

Mr. McCain: Will the minister instruct his staff to resist from attempts to collect wharfage fees until such time as the policy is clear and equitable for all rather than pointed at a few small fishermen?

Mr. Marchand (Langelier): Mr. Speaker, as soon as I have the answer, I will see what I can do about it.

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ENERGY

CONSERVATION PROGRAM—DEPARTMENTAL CONSULTATIONS ON TRANSPORTATION AND TAX POLICIES AIMED AT SAVING FUEL—REQUEST FOR STATEMENT ON EFFECTIVENESS OF PROGRAM

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. On February 6 the minister announced the adoption of a conservation program for the use of energy in Canada. Can he tell us today whether he has had consultations with the Minister of Transport and the Minister of Finance about a comprehensive transportation policy and tax policy geared at saving fuel?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there have been interdepartmental consultations involving those two as well as other departments.

Mr. Gillies: Can the minister advise when he will be making a report to the House on the effectiveness of this program?

Mr. Macdonald (Rosedale): I will be glad to consider that, Mr. Speaker.

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HOUSING

NATIVE HOUSING PROGRAM—REASON FOR REDUCTION IN NUMBER OF STARTS—ABILITY OF NATIVE PEOPLE TO AFFORD MORTGAGE INTEREST RATE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of State for Urban Affairs. According to a recent press report, a new native housing program is being proposed, one which would build some 20,000 units over the next five years. On March 10, in committee, one of the minister's officials, Mr. Teron, said of the native housing program, "We are still committed to the 50,000 units for five years." Why the drastic reduction in the number of starts planned when we are facing such a serious housing shortage?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there is no reduction in planned starts. I believe Mr. Teron was referring to those which come under Central Mortgage and Housing Corporation for Métis and non-status Indians whereas I believe the other reference made related to those under my colleague, the Minister of Indian Affairs and Northern Development, for natives on reserves and status Indians off reserves.

Mr. Firth: Is the minister's goal for housing production under the native housing program for 20,000 or 50,000 units? Given the high unemployment rates and extreme poverty on reserves across this country as well as the incredibly low income levels, how does the minister intend to supplement incomes so that native people can afford a one per cent mortgage interest rate, let alone eight per cent or ten per cent?

Mr. Danson: Mr. Speaker, without going into great detail on all the programs the intention of my ministry is not to supplement income. In this case, we made housing available and we are doing it in concert with the native people. The programs have an initial objective of 50,000 units. We are working with Métis and non-status Indian organizations across the country to try to improve the delivery system. The gains are slower than either of us would wish, but there are gains to be made and they are building on those. This is the type of thing which native people are doing themselves and are doing exceedingly well.

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THE CANADIAN ECONOMY

REQUEST FOR OUTLINE OF INDUSTRIAL AND TRADE POLICIES TO MAKE CANADIAN PRODUCTS MORE COMPETITIVE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Yesterday the minister outlined to the House the activities that he and his department have been engaged in during the past year which have allowed the economy to drift into the most serious industrial and trade situation which this country has faced since the depression of the thirties. Will the minister take the first opportunity on motions to outline to the House what plans he has, if any, to introduce policies which will make our industrial products more competitive with those of foreign countries which are stealing our markets in Canada as well as the export market in increasing quantities every day and which is the cause for our unemployment being well over 7 per cent.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I invite the hon. member to come to the Standing Committee on Finance, Trade and Economic Affairs this afternoon. My main estimates are there. I would very much look forward to discussing this important question with him.

Mr. Hees: Mr. Speaker, as the minister knows the committee meetings, as far as he is concerned, are a loss because he takes up the ten minutes allowed by saying absolutely nothing. I would ask him this. In view of the fact that the program which he proudly outlined yesterday has been so weak and badly directed that it has allowed our economy to slip into the most serious situation we have faced in 40 years, does he not believe that it is time for him to either ship up—

Some hon. Members: Oh, oh!

Mr. Hees: Shape up. It is very simple, no matter which the minister would do, he would do it weakly and poorly. Is it not time that he either did the job as he is supposed to do or got out and let somebody else do it better?

Mr. Speaker: Order, please.

* * *

PRIME MINISTER'S OFFICE

REQUEST PRIME MINISTER ATTEND COMMITTEE MEETING TO EXPLAIN ESTIMATES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, given the new enthusiasm on the government side for attendance in committee, I wish to direct a question to the Prime Minister, if I can bring him from the back benches. My question concerns the consideration of estimates of the Privy Council office by the Standing Committee on Miscellaneous Estimates, which has so far been refused the presence of the relevant deputy minister, Mr. Michael Pitfield. I wonder if the Prime Minister himself, as the responsible minister, is prepared to face that standing committee, to defend the estimates and explain the activities of the Privy Council office and the Prime Minister's office.

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for wanting to see a little more of me. Let me say that I am in the House every day and am prepared to answer whatever questions are recognized as being in order. So far as the committee's proceedings are concerned, the Acting Prime Minister, the President of the Privy Council, will be there at the next meeting of the committee and I am sure he will handle himself with his usual ability.

Mr. Clark (Rocky Mountain): Mr. Speaker, I am delighted that we are at last to have a responsible minister attending that committee. May I ask the Prime Minister whether the relevant deputy ministers, Mr. Robertson and Mr. Pitfield, will also be in attendance?

Mr. Trudeau: Mr. Speaker, I think the hon. member may have been here the other day and heard the right hon. member for Prince Albert say that when he was Prime Minister of the country he certainly followed the tradition of never having the secretary of the cabinet appear before the parliamentary committee. I think he was dead right.

Mr. Clark (Rocky Mountain): Mr. Speaker, is it the position of the Prime Minister—

Some hon. Members: Order, order!

Mr. Clark (Rocky Mountain): —that the powers of the Privy Council office are now the same as they were ten years ago?

Oral Questions

NATIONAL DEFENCE

REQUEST THAT FEMALE CADETS BE PAID ON THE SAME BASIS AS MALES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of National Defence. In view of the concern of the national cadet organizations of Canada, and as cadets will soon be leaving for summer camp, will the minister indicate what action has been taken to apply the rule contained in Bill C-16, namely, that females will be able to qualify for payment for their service on the same basis as males?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I believe on an earlier occasion the House leader indicated that Bill C-16 has been given high priority. I can say, further, that it is our intention to provide, through other means, pay and allowances for girl cadets when they attend camp, on the same basis as for boy cadets.

Mr. Marshall: A supplementary question, Mr. Speaker. In case this does not happen, will the minister consider a reasonable suggestion and remove clause 21 from Bill C-16? If he were to bring the bill before the House it would pass within one hour and everybody would be happy.

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EXTERNAL AFFAIRS

POSSIBILITY OF UNION OF NORTH AND SOUTH VIET NAM—REASON FOR EARLY RECOGNITION OF NEW REGIME IN SOUTH VIET NAM

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. When Canada made haste to recognize Saigon as the capital of the new régime, was the minister given some assurance that there would not be a union in the near future of North Viet Nam and South Viet Nam and that South Viet Nam would not be governed from Hanoi?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I do not admit the premise of the question, and the answer to the second part is, no.

Mr. Horner: Mr. Speaker, may I ask one supplementary question? In view of the answer to the second part of my question, am I to gather that the minister received no assurance whatsoever that such a union will not take place in the near future?

Mr. MacEachen: No, Mr. Speaker. I sought no such assurance; neither did I receive one.

Mr. Horner: Then, why all the haste in recognizing the provisional government?

Mr. MacEachen: Mr. Speaker, quite a number of other countries have already taken that action. It seemed to Canada that it was an appropriate time to recognize the reality of the situation and to put itself in a position to deal with concerns affecting Canadians and others in South Viet Nam.

[Mr. Clark (Rocky Mountain).]

Some hon. Members: Hear, hear!

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INCOME TAX

DECENTRALIZATION OF DATA PROCESSING—POSSIBLE ESTABLISHMENT OF OFFICE IN ATLANTIC REGION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of National Revenue. Now that the minister has announced his decision to decentralize his department's data processing work by establishing five regional centres outside Ottawa, will he inform the House when the Atlantic region office will be established and what will be the criteria for choosing a location in the Atlantic region?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, the decentralization program, which has commenced in Winnipeg, will be phased in over the next three or four years. The criteria will depend on the number of tax returns filed with the Atlantic region, the availability of part-time and full-time workers, the availability of space and availability of communication links.

Mr. Hogan: A supplementary question, Mr. Speaker. In view of the heavy concentration of provincial population and unemployment in the Sydney industrial area, would the minister meet with the minister responsible for DREE and with the Secretary of State for External Affairs before taking his decision?

Mr. Basford: Mr. Speaker, I will certainly meet with my two colleagues, particularly the Secretary of State for External Affairs, who carries at the front of his mind and the top of his heart the affairs of Cape Breton.

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TRANSPORT

REQUEST FOR DETAILS OF NEW POLICY

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. Can the minister tell the House if the new policy, details of which were apparently either given or leaked to the press yesterday, will include the principle of more responsibility and authority to be vested in the minister for all modes of transportation, or will there again be some diffusion of his control? Is the minister himself to assume more responsibility in the Department of Transport?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the hon. member is referring to a story that was published in the *Globe and Mail*. Newspapermen get information from many sources; some of the information is right, some of it is wrong, so I do not think I should comment on this.

Mr. Murta: A supplementary question, Mr. Speaker. Can the minister say if the policy paper he is to bring

down, and which we discussed in the past few days in our debates will include statements of obvious principles, or is a method for bringing the principles into a concrete and viable form also included in the policy statement? I ask this because so far a great deal of time has been spent on statements of the obvious.

Mr. Marchand (Langelier): Mr. Speaker, some, of course, think everything is obvious; for others, it is somewhat more complicated. Everybody cannot be a genius in this world.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): No doubt, if we want to have a national policy, it should include some principles. But I do not think we should restrict our policy to statements of principle or to general policies that will have no bearing on the system as it exists now. Without doubt, while we are working on a philosophy or a policy, we are working on projects which will be related to this philosophy.

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FINANCE

INQUIRY WHETHER THERE WILL BE A BUDGET BEFORE END OF JUNE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in order to reduce a little of the confusion about government policy, may I ask the Prime Minister whether he intended to indicate that there might not be a budget between now and the end of June when he said that in all probability there would be one. I ask this because of the firm statement the Minister of Finance made several times, to the effect that there would be, hopefully, a budget before the end of May?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. When I said in all probability, I merely indicated that we are all in the hands of God in this matter.

An hon. Member: So, there is a higher authority.

Mr. Stanfield: Mr. Speaker, the Prime Minister has finally found a higher authority than his own on which to blame things.

Some hon. Members: Hear, hear!

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THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF FURTHER MEETINGS SEEKING CONSENSUS ON RESTRAINT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would ask, who is giving the House correct information, the Acting Prime Minister, who said before the Prime Minister arrived that no decision has yet been made by his colleagues as to whether there will be future meetings on the subject of consensus, or the Prime Minister, who assured the House after he arrived that there would be future meetings?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, what I was answering a member of the NDP, I believe, relative to meetings with businessmen was that, according to my understanding of the meetings, they did not consider the matter closed and that although opinions were divided, we expect there will be further meetings with them.

● (1500)

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, could the government House leader tell us what the business will be for the rest of this week and for next week? I sympathize with him in his attempts to arrange the time of the House efficiently in light of the indecisive approach taken by the Prime Minister to economic issues and in light of the discussion which has just gone on. Can he also tell us whether we shall be debating the budget in the first two weeks of June?

Mr. Sharp: Mr. Speaker, if there was as much unity on the other side of the House as there is on this side, we would have far less difficulty in arranging the program.

Some hon. Members: Hear, hear!

Mr. Sharp: Today we shall proceed with Bill C-47. When that is concluded, I have in mind calling Bills C-24, C-58 and C-20. I should like to have some latitude for rearranging the order, but those are the bills which are next on the list.

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PRIVILEGE

MR. ANDRE—PROCEEDINGS IN STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday, the hon. member for Calgary Centre (Mr. Andre) raised a question of privilege. Despite its intricacies, I think, after a day's reflection, that it still boils down to a suggestion that in some way the Chair ought to sit in appeal on decisions taken or procedures followed in a standing committee. I need only refer hon. members to the decision reached by my predecessor in December, 1973, which is appropriately reported in the *Journals*. He ruled, then, that no practice of the House exists under which the Chair sits in appeal of decisions taken in the standing committees.

The procedures for discussing points of order in a standing committee are well known to hon. members. I refer to the procedure of the steering committee there. The reports

of the steering committee are considered by the committee and, in turn, so are appeals from the ruling of the chairman of the committee. The process of discussing procedure in committees on matters which are reported to the House by way of a motion for concurrence is also well known to hon. members.

In relation to estimates, the use of allotted days is provided for in Standing Orders. In addition, there is recourse to a substantive motion by an hon. member in the private members' hour and, finally, there is recourse to the Standing Committee on Procedure and Organization if it is felt that existing procedures are not satisfactory.

Unless steps are taken to change the existing practices which are well established and well known, and which, frankly, have good reasons behind them, I cannot in any way depart from the reasoning of my predecessor or the long established practice that this House will not entertain appeals in relation to the procedures of the standing committees.

Mr. Lawrence: Mr. Speaker, I rise most reluctantly on a point of order to seek clarification of your ruling during the question just before I thought I was going to get an answer from the Prime Minister (Mr. Trudeau). It is my belief, and if I am wrong I hope you will correct me, that out of frustration on this side of the House it is within our responsibility here to try, if necessary, to goad certain cabinet ministers, and in some cases the Prime Minister himself, into making some sort of sensible reply instead of the usual evasions.

I am not sure whether the question I directed to the Prime Minister today was ruled out of order by you, or whether you were under the impression the Prime Minister was not going to reply. It was my impression that he half rose in his seat and was ready to reply when you moved on to recognize another member.

Mr. Speaker: The hon. member for Northumberland-Durham (Mr. Lawrence) raises a proper question concerning my recognition of another member immediately following him at the time he asked a question. There were two difficulties. First, the hon. member put a question which seemed to me to have very argumentative connotations; that is to say, that the reason for holding an investigation had to do with political patronage or political donations. This will surely be recognized by all hon. members as having a clear argumentative connotation attached to it.

In any case, the question was not about to be answered: at least, that was my impression. For both reasons, then, I decided to move on to the recognition of another hon. member. Whether it was clearly for the one or the other reason, I can only console the hon. member by saying that the presence of two difficulties at the same time led me to my decision to go on to another hon. member.

Some hon. Members: Hear, hear!

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-33, an act respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states, with amendments, to which the concurrence of this House is desired.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,253, 1,463, 1,701, 1,751, 1,762, 1,768, 1,776, 1,837, 2,042, 2,055, 2,100, 2,140, 2,206, 2,313, 2,329 and 2,335.

If questions Nos. 1,200, 1,460, 1,685 and 1,743 could be made orders for returns these returns would be tabled immediately.

I ask that the remaining questions be allowed to stand.

[*Text*]

REGIONAL RATES FOR GOVERNMENT EMPLOYEES

Question No. 1,253—**Mr. Forrestall:**

1. What impact does the policy of regional rates for government employees have in terms of reducing the levels of regional disparity?

2. What is the attitude of the Department of Regional Economic Expansion on the issue of regional rates for government employees?

3. What would be the total annual cost of regional rate elimination for all government employees expressed as a percentage of the 1974-75 budget for the Department?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Regional Economic Expansion and the Treasury Board Secretariat as follows: 1. There is no known method of accurately measuring the impact.

2. The policy regarding scales of pay and regional rate is decided by the government, and followed by the department.

3. Elimination of regional rates would cost the government an additional $79,300,000. (Salaries and benefit expenditures) Dree departmental program budget for 1974-75 is $513,033,000. Cost of $79,300,000 represents 15.5 per cent of $513,033,000. Source for DREE Budget: Canada Estimates for the fiscal year ending March 31, 1975. (Blue Book of Estimates).

DEVELOPMENT OF DEEP WATER PORTS IN ATLANTIC PROVINCES

Question No. 1,463—Mr. Howie:

Are there any plans to attempt to develop any deep-water ports in the Atlantic Provinces and, if so, which ports will be developed?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Regional Economic Expansion is concerned: An offer has been made to the provinces of Newfoundland, Nova Scotia and New Brunswick for the development in each province of one deep water port at a site to be proposed by the province. Provincial authorities have this offer under consideration. In so far as the Ministry of Transport is concerned: Ever since the trend to deeper draft vessels, particularly in the bulk crude oil and refined petroleum products trades, became noticeable some ten years ago, the ministry has devoted considerable attention and research to the port requirements that might reasonably be expected to arise in eastern Canada as a result of this technological breakthrough. Private industry also has shown itself to be well aware of this challenge and thus there have been, during the last few years, several plans to attempt to develop deepwater oil ports, particularly in the Atlantic provinces. To date, the following deepwater oil terminals have been developed: Mispec Point (east of Saint John, N.B.), Point Tupper (Strait of Canso); and Come-By-Chance, Newfoundland. In addition to these existing facilities, new proposals are currently under consideration by various interested agencies at Lorneville (west of Saint John); Melford Point (Strait of Canso); and Come-By-Chance, Newfoundland. It is not possible to say definitely which projects will be implemented in the near future.

STORAGE FACILITIES

Question No. 1,701—Mr. Holmes:

1. Did the Minister of Agriculture and the Minister responsible for the Canadian Wheat Board jointly announce a new $40 million storage programme as part of the new Feed Grains Policy on July 26, 1974 and, if so, how much of this $40 million has been allocated for storage facilities?

2. (a) What is the number of storage facilities (b) where are their locations (c) who are the owners (d) what are the sums of money allocated for each facility?

3. Has representation for funds been received from Southwestern Ontario and what percentage of the $40 million will be allocated to that area?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canadian Wheat Board and Agriculture Canada as follow: 1. Yes. The details of a new program have not been fully developed. A part of the funding is to be used to improve storage facilities but the actual amount will depend on the needs for additional storage that are identified. No facilities have been funded under the program to date. The government has assumed the carrying costs of domestic feed grain reserve stocks up to a maximum of 10 million bushels to be located in Thunder Bay (and a small quantity at Halifax). The annual cost of this part of the program is estimated at $4.2 millions.

2. Not applicable.

3. Storage project proposals which have been received are confidential. Assistance which may be provided will be based on the merits of each application to local and national storage requirements.

RAILWAY ADVERTISING IN "TRAVEL AND LEISURE" MAGAZINE

Question No. 1,751—Mr. Herbert:

1. To the knowledge of the government, did Canadian Pacific hotels advertise by means of a coloured centrefold in the February issue of *Travel and Leisure*?

2. Does the magazine have a circulation in Canada?

3. Is the cost of such advertising a deductible expense before corporation taxes under existing legislation?

4. Did Canadian National also advertise in the same edition of the magazine?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Canadian National Railways and the Department of National Revenue as follows: 1 and 2. See Beauchesne's Parliamentary Rules and Forms, citation 171 dd.

3. Section 19 of the Income Tax Act provides that advertising costs are not allowable as deductible expenses before taxes if the advertisement is included in a non-Canadian publication and is directed primarily to a market in Canada. The C.P. hotel advertisement clearly is directed to the American market and thus the cost would be an admissible expense.

4. A 1/6 page black and white advertisement was placed in the February issue of Travel and Leisure Magazine.

PUBLIC SERVANTS ASSIGNED TO POSITIONS OTHER THAN IN CANADA

Question No. 1,762—Mr. Herbert:

By department, other than the Departments of Industry, Trade and Commerce, Manpower and Immigration, External Affairs and National Defence for the month of April 1975, what is the budgeted number of public servants who would be assigned to positions other than in Canada?

Hon. Mitchell Sharp (President of the Privy Council): Agriculture Canada, 11; Communications, 1; Consumer and Corporate Affairs, 0; Energy, Mines and Resources, 0; Environment, 0; Finance, 0; Indian Affairs and Northern Development, 0; Insurance, 0; Justice, 0; Labour, 3; National Health and Welfare 32; National Revenue 20; Post Office 0; Prime Minister and Privy Council 0; Public Works, 3; Regional Economic Expansion, 0; Science and Technology, 0; Secretary of State, 6; Solicitor General, 0; Supply and Services, 7; Transport, 3; Treasury Board, 0; Urban Affairs, 0; Veterans Affairs, 2.

APPLICATIONS UNDER FARM IMPROVEMENT LOANS ACT, QUEBEC

Question No. 1,768—Mr. Caouette (Villeneuve):

1. How many loan applications were submitted by the Quebec farmers in 1974, under the Farm Improvement Loans Act?

2. What criteria does the Unemployment Insurance Commission use to establish that a person is a farmer?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Finance and Man-

power and Immigration as follows: 1. Applications for loans under guaranteed loans plans are made directly to chartered banks and other designated lenders. Records are maintained centrally by the government only in respect of loans granted under the guarantee and no data is available on the number of applications submitted to lenders.

2. As a general rule, persons engaged in the growing of agricultural products or livestock are considered to be farmers for the purpose of the applicable unemployment insurance legislation. Some examples are: (a) the growing of grain, fruit or vegetables, (b) livestock farming or dairying, (c) operation of a chicken farm, (d) the raising of pigs. Self-employment as a farmer is not insurable employment under the Unemployment Insurance Act. Consequently, in order for a farmer to qualify for unemployment insurance benefit he must have been employed in insurable employment for a minimum of 8 weeks in the qualifying period, generally in the 52 weeks prior to filing his claim. If a farmer files a claim and fulfils this qualifying condition, his entitlement to benefit is then dependent on the extent of his farming activities. If a person is engaged in farming to a major extent, that is, where it is shown to be his principal means of livelihood, he generally fails to prove that he is unemployed under the Unemployment Insurance Act and Regulations, and therefore is not entitled to benefit. However, even if a person is engaged in farming as his principal means of livelihood, such a person may be entitled to benefit during the off-season (October 1 to March 31) if he proves that he does not work on his farm during the off-season or that the work he performs is so minor in extent that it would not prevent him from accepting full-time employment. Concerning a person employed in agriculture in a capacity other than self-employment as a farmer, such a person, on becoming unemployed, is entitled to unemployment insurance benefits under the same conditions as claimants generally. However, he is regarded as having worked a full working week and consequently is not entitled to any benefit during any week in which he works at least five days, and an aggregate of forty hours.

FINANCIAL ASSISTANCE FOR SCHOOL AGE CHILDREN OF NEW IMMIGRANTS

Question No. 1,776—**Mr. Reynolds:**

1. With growing immigration affecting learning processes in the schools, particularly in British Columbia, is the government contemplating any financial assistance to those immigrants so that they may keep abreast of children already using the language of instruction?

2. Will the government consider increasing the assistance in those areas receiving large numbers of new immigrants into the school system who do not speak the English language?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Manpower and Immigration is concerned, the following is the reply: 1 and 2. The Department of Manpower and Immigration is aware that the number of children in primary and secondary schools whose first language is not English or French has increased. The Department of Manpower and Immigration funds various voluntary agencies who are involved in direct settlement assistance to newly arrived immigrants. Funding of these agencies is based on the known community needs and as such, where greater needs are identified by a voluntary agency, the department is prepared to consider additional support. However, it must be remembered that, since education is a matter of provincial jurisdiction, the provinces have the main responsibility for assisting school boards and students in this regard.

In so far as the Department of the Secretary of State is concerned: 1 and 2. The federal government has for many years had agreements with all provincial governments covering assistance for language instruction for adult immigrants, and agreements with all the provinces except British Columbia covering the costs of textbooks for such instruction. Informal enquiries have been received from some provinces as to whether these agreements could be reviewed and possibly extended. This matter is under study.

[Mr. Sharp.]

COST OF PREPARING REPLIES TO QUESTIONS ON THE ORDER PAPER

Question No. 1,837—**Mr. Herbert:**

What is the approximate average cost to prepare replies to questions on the *Order Paper* in each grouping (a) policy (b) statistical (c) concerning public service employees (d) requesting information about contracts (e) requesting information concerning ministerial staffs?

Hon. Mitchell Sharp (President of the Privy Council): (a), (b), (c), (d) and (e). Information not available. We have undertaken an experiment on the cost of answering questions placed on the order paper (from questions No. 1,857 to 2,395 inclusive). The cost of answering these questions will be available at a later date.

DEPARTMENT OF AGRICULTURE—PARLIAMENTARY RETURNS OFFICE

Question No. 2,042—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): There is no Parliamentary Returns Office as such in the department.

DEPARTMENT OF NATIONAL REVENUE—PARLIAMENTARY RETURNS OFFICE

Question No. 2,055—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of National Revenue?

Hon. Ron Basford (Minister of National Revenue): There is no Parliamentary Returns Office, as such, in this department. Parliamentary returns are handled as a part of the regular duties of the staff in the office of the deputy minister in each of the two components of the department. Therefore, it is not possible to isolate the cost of this activity from the others which comprise the total program of these offices.

TELECOMMUNICATION NETWORK IN ZAIRE

Question No. 2,100—Mr. Beaudoin:

1. On what date did CIDA award to Sintec the contract for construction of a telecommunication network in Zaire?

2. Was the contract awarded within the framework of public tenders?

3. What other corporations tendered for the contract and at what cost?

4. Who was responsible for making the decision concerning the contract?

5. Who were the signatories of the contract?

6. What researches, analyses or investigations were made in order to ascertain the skill of the corporation and its members before awarding them the contract?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. No contract was ever granted by CIDA to SINTEC Corporation for a telecommunications project in Zaire entered directly into a contract for a telecommunications network project—financed by a Canadian loan—with Cartier Engineering of Montreal, which set up a consortium for the purpose with two other companies Sintec Limited of Montreal, and Hoyles Niblock International of Vancouver.

2. Yes—the contract was awarded within the framework of normal proposals.

3. The three consortia of consultants who submitted proposals were as follows: Demers, Gordon, Baby Ltd. and SNC Ltd., both of Montreal associated with Intel Consultants Ltd. of Ottawa; Brunelle, Lambert and Associates Ltd. of Montreal associated with Lamarre, Valois International Ltd. of Montreal; Cartier Ltd., Montreal; Hoyles Niblock International, Vancouver Sintec Ltd., Montreal; The last group which included Sintec submitted the best proposal and was awarded the contract for $6 million.

4. The proposals were evaluated independently on behalf of the government of Zaire by the Department of Communications of Canada and a CIDA team which included a representative engineer from Zaire.

5. The signatories to the contract were the government of Zaire and Cartier Ltd. as Manager of the consortium.

6. All three members of the consortium had registered with CIDA and provided details, brochures, and curriculum vitae of their companies and personnel. Both Cartier Ltd. and Hoyles Niblock International had performed satisfactorily on previous contracts in CIDA's programs. Hoyles Niblock had also worked abroad commercially with very satisfactory results.

PERCENTAGE CHANGE IN NUMBER OF PIECES OF MAIL HANDLED BY POST OFFICE

Question No. 2,140—Mr. Herbert:

For the past ten years, what has been the annual percentage change in the number of pieces of mail handled by the Post Office Department?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): The following percentage change has been based on originating mail volume data as published in the Postmaster General Annual Reports. Fiscal year 1964-65, 12 per cent; 1965-66, 5 per cent; 1966-67, 7 per cent; 1967-68, 2 per cent; 1968-69, 1 per cent; 1969-70, 3 per cent; 1970-71, 5 per cent; 1971-72, 4 per cent; 1972-73, 1 per cent; 1973-74, 7 per cent.

SEWAGE TREATMENT LOANS, 1973-74

Question No. 2,206—Mr. Marshall:

1. In regard to loans and grants for construction of sewage collection and treatment systems, what is the breakdown, by province, of the (a) 294 loans and the amount of $159,854,000 for 1974 (b) 309 loans and the amount of $170,670,000 for 1974?

2. In the Province of Newfoundland, by municipality, what is the breakdown of such amounts?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows:

Table 1

1. Loans Approved for Municipal Sewage Treatment Projects[1], by Province, 1973 and 1974

Province	1973		1974	
	Projects	$000	Projects	$000
Newfoundland	5	237	7	2,365
Prince Edward Island	4	1,469	7	1,771
Nova Scotia	28	8,052	25	5,187
New Brunswick	12	3,476	17	7,248
Quebec	35	10,126	98	74,260
Ontario	115	90,961	119	87,082
Manitoba	10	1,855	25	7,962
Saskatchewan	15	1,839	15	2,066
Alberta	47	14,561	46	8,452
British Columbia	21	27,159	32	21,367
Northwest Territories	2	119	—	−6[2]
Yukon	—	—	—	—
Canada	294	159,854	391	217,754

[1] Data are net.
[2] Reduction in a loan initially approved in an earlier year.

Table 2

2. Loans Approved for Municipal Sewage Treatment Projects[1] Newfoundland, 1973–1974

Locality	1973		1974	
	Projects	$000	Projects	$000
Newfoundland	5	299	7	2,135
Metropolitan Area				
St. John's	1	55	1	1,346
Census Agglomerations				
Carbonear	—	—	—	—
Grand Falls	—	—	—	—
Happy Valley	—	—	—	—
Labrador	—	—	—	—
Urban Centres (Population 5,000 +)				
Channel-Port-aux-Basques	—	—	—	—
Corner Brook	—	—	—	—
Gander	—	—	1	382
Stephenville	—	—	—	—
Wabana	—	—	—	—

Order Paper Questions

Locality	1973 Projects	1973 $000	1974 Projects	1974 $000
Other Localities				
Burin	—	—	1	100
Lumsden	1	53	—	—
Marystown	—	—	1	54
Spaniards Bay	2	153	—	—
Springdale	—	—	1	39
St. Albans	—	—	1	182
St. George	—	—	1	32
Wareham	1	38	—	—

(1) Data are gross, excluding cancellations and changes in loans initially approved in an earlier year.

$500 HOME-OWNER GRANT

Question No. 2,313—**Mr. Halliday:**

Of the first 280 applications for the federal grant of $500 to new home buyers that were received in the London Office of CMHC, how many (a) were approved (b) were rejected (c) are pending?

Hon. Barney Danson (Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: Of the first 280 applications for the federal grant of $500 to new home buyers, received by the London office of CMHC, (a) 263 were approved, (b) 17 were rejected, and (c) none were pending.

APPROXIMATE COST OF COMPILING ANSWER TO QUESTIONS 317 AND 320

Question No. 2,329—**Mr. Herbert:**

1. What was the approximate cost to compile the answer to Question No. 317 and Question No. 320?

2. How many months were required, in each case, to prepare the answer?

3. How many man months of time were required to answer the questions?

Hon. Mitchell Sharp (President of the Privy Council): 1, 2 and 3. Information not available. We have undertaken an experiment on the cost of answering questions placed on the order paper (from questions Nos. 1,857 to 2,395 inclusive). The cost of answering these questions will be available at a later date.

OLYMPIC GAMES—INCREASED TRAFFIC THROUGH CUSTOMS SERVICES

Question No. 2,335—**Mr. Schumacher:**

1. What plans have been made, or are being made, to handle increased traffic through customs services in connection with the Olympic Games in 1976?

2. Will additional facilities be set up at international ports and, if so (a) what will they consist of (b) how many will there be (c) where will they be located (d) how many persons will man them in each case?

3. What is the projected cost of (a) additional facilities (b) additional manpower in each case?

Hon. Ron Basford (Minister of National Revenue): 1. Customs is working in close co-operation with the federal security co-ordinator (R.C.M. Police), Immigration officials, the Ministry of Transport, the Departments of Agriculture and Health and Welfare, and C.O.J.O. (The Organizing Committee for the 1976 Olympic Games), towards an overall plan to accommodate the anticipated heavy influx of visitors.

2. No additional physical facilities will be required as those at existing ports are sufficient to handle the anticipated traffic. Mirabel Airport will also be in operation to take care of additional traffic. However, there will be a requirement for additional manpower resources. (a) Not applicable; (b) Not applicable; (c) Not applicable; (d) Not applicable.

3. (a) Nil; (b) A total of $444,000.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

SASKATCHEWAN—CLOSURE OF RAILWAY STATIONS

Question No. 1,200—**Mr. Korchinski:**

In the Province of Saskatchewan (a) how many railway stations were closed by CN and CP Railroads which showed profits on their operations (b) how many in the same category are pending (c) what are the locations of each?

Return tabled.

PLANS TO PROMOTE AND MARKET AGRICULTURAL PRODUCTS FROM ATLANTIC PROVINCES

Question No. 1,460—**Mr. Howie:**

1. Do any plans exist to establish a programme to promote and market agricultural products from the Atlantic Provinces and, if so, what is the estimated cost of this programme?

2. Are there any plans (a) to provide a special loan and grant programme to assist and encourage family farm operators to modernize and improve their farm operations (b) to improve existing credit programmes to assist young farmers to enter the business of farming (c) to increase the amount of farm loans to meet current needs?

Return tabled.

HERBERT BRUNE CONSTRUCTION LIMITED

Question No. 1,685—**Mr. Cossitt:**

Has any work been performed for the government since April 20, 1968 by Herbert Brune Construction Limited, 141-A Bentley Avenue, Ottawa and, if so (a) what is a full and detailed description of all work performed along with the amount of public money involved in each case (b) were tenders called by public advertisement in each case and (i) if not, for what reason (ii) if so, what were the names of those tendering and the amounts of tenders?

Return tabled.

CONTRACTS GIVEN BY DEFENCE CONSTRUCTION (1951) LIMITED

Question No. 1,743—**Mr. Clark (Rocky Mountain):**

From 1969-70 to the present, what was the complete amount of contracts given by Defence Construction (1951) Limited to corporations and companies which receive a single contract of at least $250,000?

Return tabled.

● (1510)

Mr. Cossitt: Mr. Speaker, I rise on a point of order to draw attention to five questions on the order paper, which have been outstanding for some time, concerning construction of a swimming pool at 24 Sussex Drive. I refer in particular to question 1,233 which has been almost four months on the order paper and which in its various parts asks for details of construction, details of costs, names of donors and whether investigations, and so on, were conducted into the identity of the donors, and the purposes or motives for giving the donations. No answers have been forthcoming. I have raised this matter before, I think quite legitimately, and I have received no guarantee that this question will be answered. If anything, I have received exactly the opposite—flippancy and arrogance.

Although I realize that a minister is not obliged to answer a question, I think he has a moral duty to answer a legitimate question in this House that seeks legitimate information. I think the Prime Minister (Mr. Trudeau) is negligent in his duty to the Canadian people and to the Canadian parliament when he does not follow the example of President Ford of the United States who has announced that in building his swimming pool there will be—

Mr. Speaker: Order, please. If the hon. member has a grievance about the answering of a question, he may raise it now; but surely comparison with examples in other governments is not apt at this time.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT AND CERTAIN ACTS RELATED TO THE SUPREME COURTS OF NEWFOUNDLAND AND PRINCE EDWARD ISLAND

AMENDMENTS TO PROVIDE FOR INCREASED SALARIES AND ADDITIONAL JUDGES

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-47, to amend the Judges Act and certain other acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, before discussing the content of Bill C-47, an act to amend the Judges Act, I think it is appropriate to review the broader context within which its provisions must be considered. It is important that we keep constantly in view the role of our judiciary in our constitutional system and the duties, responsibilities and limitations upon individual judges. As a starting point, I would like to recall the words of Winston Churchill when he said:

> The essential aspects of democracy are the freedom of the individual within the framework of laws to order his life as he pleases, and the uniform enforcement of tribunals independent of the executive.

The significance of our judiciary in Canada was acknowledged from the start. A number of sections in the British North America Act provide specifically for the method of appointment of certain judges. Section 99 specifically recognizes the importance of the principle of the independence of the judiciary by providing for a retirement age of 75 and for tenure during good behaviour and removal only on address of both Houses.

[*Translation*]

Maybe it would be appropriate, to say a few words about this especially for the laymen, who are not very familiar with our judiciary. At the provincial level, the judges appointed and paid by the federal government are the county and district court judges as well as the judges for the superior courts, which include, in most provinces, a first instance division and an appellate division. The names of these courts vary for each province, but, in general, these are the three main categories.

Since Section 92.14 of the British North America Act has made the provinces responsible for "the Constitution, Maintenance, and Organization" of these courts, they are sometimes called provincial courts. Nevertheless, their judges are appointed by the Governor in Council and they are paid and reimbursed for their expenses according to the Judges Act to which they are also subjected. The judges of the territorial superior courts also come under this act, even if these courts are established by order.

Judges appointed by the federal government must therefore be distinguished from provincial magistrates or, as they are called in certain provinces, "provincial court judges". The latter judges are not only members of courts established by the provinces, but their appointment and status come under provincial laws and regulations. Therefore, they are not concerned by the federal Judges Act; the same is true of the territorial court judges, who are appointed by order.

However, in addition to the county or district court judges and judges of provincial and territorial superior courts, two other categories are also covered by the Judges Act. These are judges of the Federal Court and the Supreme Court of Canada. There are also "superior courts", created by the federal government, under Section 101 of the British North America Act.

[*English*]

When we talk about the judges who are appointed by us and who are subject to the provisions of the Judges Act, we are speaking only of approximately 500 judges throughout Canada. The magnitude of the trust and responsibility borne by these men and women is out of all proportion to their number.

In general terms, the judiciary maintains the rule of law by providing redress between citizens, but even more where authorities would seek arbitrarily to interfere with the lives of citizens. No matter what office an official of the state may hold, he or she is only entitled to act where, and only to the extent that, authority is specifically granted in or by virtue of laws which are directly passed by the duly elected representatives of our people, in parliament or in the legislatures or, in a few situations, which are recognized as well established custom. In other words, the judiciary is essential to the maintenance of the relatively certain, predictable and public rule of law, in contrast to

some potentially capricious rule by the unlimited discretion of persons.

Our Canadian judiciary has served us well. We have been blessed with judges of integrity and dedication. Examples of corruption or even of indiscretion are few and far between. We have been particularly fortunate, however, because of the strength and dignity by which our judiciary has maintained its independence of the legislative and executive branches of government. We need only examine the experience of some other countries to realize the significance of maintaining a judiciary which can neither be bribed with riches nor intimidated by the offices of the state. It seems so often to be the case that the weakening of the judiciary is a large step on a short path to dictatorial forms of government.

The judiciary is of particular importance to us as legislators. It would do us little good conscientiously and strenuously to analyse and debate legislation being created for the benefit of our citizens if that legislation could be frustrated in its application. It is essential to our task that our judges be intelligent, industrious and experienced lawyers. They must not only be able to apply a law reasonably to achieve a result in a particular case, but they must also avoid losing sight of the significance of that result in similar and related situations in future.

The performance of judges is also of tremendous importance to the particular persons who appear before them. Judges hear cases, day after day, for years. Often these cases involve painstaking and boring details. Yet all judges must constantly bear in mind that for the individual litigant, his or her "day in court" will often be one of the most important days of his or her life. In particular cases, judges can act as catalysts to accelerate the machinery of justice so that litigants are not frustrated by delay. Judges can also, within limits, temper the strict letter of the law with compassion and common sense.

It is true that even with our increasingly crowded court lists today, only a very small proportion of our citizens will ever come before these 500 or so judges in our courtrooms. However, the performance of judges in particular cases has an impact far beyond the courtroom itself. A judicial decision will often result in thousands of lawyers advising tens of thousands of clients to order their affairs—sell their property, draw their wills, enter into agreements—in a particular way. The point is illustrated in a passage from an article written by the treasurer of the Law Society of Upper Canada, Mr. Stuart Thom, Q.C., and published in the December, 1974, issue of the Law Society of Upper Canada *Gazette*:

● (1520)

> The lawyer going about his mundane solicitor's daily round does not and cannot possibly see each phrase that he tosses off to his secretary or each clause that he scribbles out on the margin of a document after tiresome hours of negotiation in the context of a Supreme Court appeal. The lawyer must have some inner feeling, however, that what he has just said or done will meet the test of the judicial process, if it is ever exposed to it. In that sense, I say that everything a lawyer does is part of the judicial process in some manner.

The impact in this sense is very broad indeed. The ramifications of judicial decision-making can also be considered with reference to the nature of the issues which must be determined. There is an increasing number of complexity of cases generated through changes in our attitudes, economics and technology. Judicial decisions can profoundly affect society. One need only mention cases such as those affecting rights of our native population, matrimonial property, the rights of women, offshore rights and other constitutional questions involving the relationship between the Government of Canada and the provinces. In the resolution of these and other serious problems, the appointed judges must have the trust and confidence of the Canadian people to void the growth of the pressures of anarchy.

There is another important dimension of the influence of these judges beyond their courtrooms. This is related to their appellate and supervisory functions in relation to other courts and administrative tribunals. Many statutes contain provisions for appeals from provincially-appointed courts and from both federal and provincial administrative tribunals to courts consisting of these federally-appointed judges. Even where no appeal is expressly provided, there is a general supervisory jurisdiction which permits the quashing of the decisions of these bodies where they have acted without jurisdiction. This has been interpreted to include the denial of a fair hearing through bias or the non-compliance with the minimal procedures necessary to a fair hearing for the parties.

Thus, protections are available to the thousands who are directly affected by the myriad of federal and provincial administrative tribunals which daily determine the rights of our citizens. Once again, decisions in particular appeals and on particular applications will often affect the manner in which many of these diverse bodies will carry out their responsibilities. The existence of an able, conscientious and hard working judiciary is important for all of these reasons. It is also important in a general way if our citizens are to have confidence in our democratic institutions generally.

I view the appointment of judges to be one of the most important of my responsibilities as Minister of Justice. I believe that it is vital that our judicial positions be filled by the most qualified lawyers available for these important tasks. I have made special efforts to broaden my information base, as Minister of Justice, for locating and selecting the best qualified lawyers for judicial appointments. A special adviser was appointed almost two years ago to work in this area of gathering names of and information about prospective appointees. Broad consultations have occurred amongst representatives of bar associations and law societies, members of the Bench itself, prominent lawyers in government, legal aid organizations, lay persons and others.

I have not only sought information about the legal experience and ability of prospective appointees: in addition, I have been concerned about human qualities—qualities of sympathy, generosity, charity, an ability to listen, integrity and a willingness to work and desire to do a job well. Often, these qualities are demonstrated in a variety of ways: general reputation of a practitioner, public service through charitable or service organizations, service to the profession and political involvement at any level.

In my three years as Minister of Justice there have been in excess of 150 appointments under the Judges Act. This unusually high number is in part due to the expansion of a

number of courts and in part attributable to the election of a number of judges for supernumerary status. I am delighted by the calibre of the lawyers who have accepted our call to the Bench during this period, sometimes at considerable personal sacrifice.

In the course of these three years I have also had the privilege of working with the judiciary committee of the Canadian Bar Association, whose present chairman is Mr. Marcel Cinq-Mars, Q.C., of Montreal. Following a practice established by our Prime Minister (Mr. Trudeau) when he was justice minister, the names of persons under active consideration for judicial appointment are submitted to this committee for assessment as to qualifications for judicial appointment.

I should emphasize that the committee does not submit names, but comments on names which I submit to them. The committee is composed of lawyers from across Canada who, conscientiously and with little in the way of recognition or expressed gratitude, devote a considerable amount of time and effort to their task. In the end, of course, the responsibility for the quality of appointments must rest with the government, but the committee performs a valuable service and in my view has been of great assistance in maintaining in Canada a strong judiciary.

The Judges Act provides that a barrister or advocate must have at least ten years standing at the bar in order to be eligible for appointment. Judges are seldom appointed who have less then 15 years at the bar, and very often lawyers with 20, 25 or 30 years in practice are appointed. As a result, a lawyer is most often at the peak, or very much on the way to the peak of his or her career both in terms of effectiveness and earning capacity, at the time the judicial appointment is offered.

It is common for lawyers to take very substantial reductions in income by accepting appointments to the Bench. It is true that there are other attractions to the Bench. There is the aspect of security, which is a necessary incident to judicial independence, and a more regular, although in most cases not less arduous or demanding, work schedule. There must also be a certain attraction to finding that ones' colleagues, including both friends and foes, suddenly begin to treat him or her with respect and deference, at least in the courtroom.

However, there is also a tradition in the legal profession that when called upon to serve as a judge, a lawyer should not decline except for very good reasons. It has disappointed me on occasion since I have been Minister of Justice to encounter examples of lawyers with excellent qualifications for judicial appointment who were not prepared to let their names stand. While I would not like to see financial reward as the incentive to judicial appointment, lawyers should not be put in the position of having to sacrifice too much for themselves and their families in the way of a standard of living in order to give of their talents in a more public way as a member of the judiciary.

There are a number of specific factors related to income which should also be kept in mind. The Judges Act requires that judges devote themselves exclusively to their judicial duties, unlike other citizens who are permitted to supplement their incomes. Once appointed, a judge cannot easily return to the courtroom as a barrister, and in some provinces this is expressly prohibited. The recent final report of the CBA special committee on legal ethics also contains such a prohibition which is applicable to chambers' work and appearances before administrative boards and tribunals as well as court litigation. Since most judges are recruited from the ranks of barristers, a return to practice is usually effectively foreclosed.

I have considered it desirable, very often, to see younger judges appointed. The addition of vigorous, young lawyers to a court can often infuse newer ideas and approaches. However, this means that many of them will not have had the number of good earning years of a lawyer who is appointed much later in life. Finally, we must compete with the provinces for lawyers for appointment to the Bench.

It is a fact that in some provinces, persons appointed as magistrates or provincial court judges now receive salaries which are greater than those of country court judges by 25 per cent and more. In the past three years, the salaries of federally-appointed judges have fallen substantially behind those of persons in other comparable categories. This problem is compounded by the rapid increase in the cost of living experienced in recent times, and in the earnings of members of the legal profession from whose ranks new appointments of judges must be made.

Furthermore, the rate of annuities payable to widowed spouses of judges has remained fixed, since 1944, at two-ninths of salary, which by today's standards is below the norm of many, if not most, other such pensions. It is essential that both salaries and pensions be raised to levels which will attract to the Bench the best qualified members of the legal profession. While this does not mean that judicial salaries as well as retirement and death benefits should be fully competitive with the incomes that can be earned by the more successful members of the bar, it is important that they be substantial enough to attract adequate numbers of the very best class of practitioners. They must also be commensurate with the position of the judge in society, recognizing his or her importance as a member of one of the principal and key elements in our governmental system. Finally, they must be sufficient to ensure the judge's independence, providing him or her with a measure of real economic security.

● (1530)

The provisions with respect to annuities for the widowed spouses of judges and retired judges is of even greater importance to many judges than the salary provisions. At the present time, the Judges Act provides for a non-contributory annuity payable to a spouse upon the death of a judge of two-ninths of the salary of the judge at the time of death. If the judge was retired and in receipt of a pension at the time of death, the annuity is set at one-third of the judge's pension. This rate of annuity for a judge's spouse has remained unchanged for 30 years, with the result that it is now generally below the norm of the rate for most other pensions for surviving spouses, which is close to 50 per cent of the basic pension payable.

There are a number of sad examples of widows of judges who suffer considerable hardship because of the inadequacy of annuities which they receive. The provision to adjust the rate for spouses' annuities from two-ninths to one-third of salary, or from one-third to one-half of pension,

applying equally to existing pensions, will provide some relief. At the same time, the non-contributory nature of these annuities has been considered and provisions for a small contribution from existing judges and a more substantial one from future appointees have now been introduced.

The question of what salary levels are required to meet these criteria is one that cannot be answered with scientific precision. The question is one of judgment more than of science. One might start with an estimate of the range of income of lawyers of a calibre generally sought for appointment to the Bench. If the lowest general level is reduced by $10,000 or $15,000, one would reach a minimum basic salary of roughly $50,000 for superior court judges as a starting point. Another approach, by which essentially the same result emerges, is to look first to the level of salary that ought to be paid to the chief justice of a superior court. There is solid historical precedent in Canada for fixing this salary as high as, or in the same general range as, the salaries currently being paid to the most senior deputy ministers in the federal public service. It is only in relatively recent years that the most senior deputy ministers have overtaken those of the chief justices. This approach would lead to a basic salary level of $55,000 for the chief justice of a superior court.

In fixing the salaries for other judges, we have taken into account the increasing role and responsibilities of chief justices and chief judges, as well as the increased jurisdiction of county and district court judges in most provinces. In employing the retroactive provisions, we have had in mind the postponement of the introduction of the bill last spring, which we originally intended to introduce, which postponement was occasioned by the election.

I should remind hon. members, as well, that when the last review was made of judges' salaries effective in 1971, the then minister of justice indicated his view that salaries of judges should be reviewed at least every three years. In that regard, the retroactive date is fixed at three years after the last salary increase.

Of course, it is possible to do a considerable amount of "creative" analysis with figures and percentages. When this bill was introduced, some newspapers reported that the salary increase for county and district court judges amounted to 72 per cent. This figure is inaccurate. The Toronto *Globe and Mail,* which used the 72 per cent figure in an editorial on December 20, 1974, and criticized the increases, pointed out in a subsequent editorial on February 3 that when additional facts are taken into account, the more accurate figure for these judges is 48.2 per cent over three years. In fact, the increase is spread over three years plus another three years since the last change. But even that percentage does not tell the entire story. For one thing, a limit has now been placed upon the remuneration which judges may receive from the provinces. In other words, it will no longer be possible for the provinces to adjust these salaries beyond the $3,000 limit proposed in the bill, as has been done in the recent past particularly with respect to county and district court judges.

Furthermore, the bill provides for the elimination of the extra remuneration which many county and district court judges now receive for providing specific extrajudicial services such as serving on police commissions. I might add that we have received representations to the effect that the latter provision should only come into effect at the time of the final salary increase, that is, on April 1, 1976. While the bill provides for the provision coming into effect immediately, I see the logic of that suggestion and will be discussing the question with members in the committee. Finally, it must be kept in mind that the salary provisions for county and district court judges represent not only a regular salary increase but also a readjustment in the level of salaries they should receive in relation to the other judges in Canada.

The civil jurisdiction of county and district court judges is concurrent with that of the superior trial courts in some provinces, and the county and district courts now probably do more criminal jury work than the superior courts in those provinces where they sit with juries. Some provinces are consolidating their county and district courts, and some have created the position of chief judge to assist in the allocation of judicial resources and in administration generally. We have made special efforts to attract men and women to these courts who are of equal calibre to those being appointed to the superior courts.

For all of these reasons, the narrowing of the salary differential between the county and district court judges and those of the superior courts is not only justified but is highly desirable. I might point out that in this very bill one province is moving in the direction of consolidation of these courts and is in the process of transferring judges from the county court to the superior court. This leads to a salary revision outside of any analysis in percentage terms. It is that kind of an adjustment of work, an adjustment in the capacity, as it were, of judges that must be taken into account in this regard.

My reference to the termination of some part of the extra earnings of county and district court judges in particular has real relevance to the large number of county and district court judges who have been receiving more than $3,000 in further remuneration from the province or for extra judicial duties. It is our view that the federal government ought to be the main source and, in the end, the only source of income for the judges who constitutionally are appointed by it, and this bill makes a move in that direction in limiting this amount of extra money. It really should be subtracted from the apparent increase we are giving this particular category of judges.

The bill before us provides, for the first time, for the payment of certain expenses incurred by judges. For example, it is often the case that a lawyer practising in one location will be appointed to another location hundreds of miles away. The bill now provides, for the first time, for the reimbursement of reasonable removal expenses. There is also provision for the payment of limited expenses incurred in judicial education and other judicial activities which do not involve the exercise of the judicial function as such. Chief justices and chief judges have a number of functions and obligations which they are required to perform in a representative role on behalf of their courts. A limited sum is also provided for expenses of this nature.

It will be surprising, perhaps, to hon. members that these forms of reimbursement were not included some

time before this. At the present time, most of these expenses must be borne by the individual judge who has incurred them, or be reimbursed on the basis of an executive decision by the Minister of Justice. Such a situation has obviously undesirable implications.

Before leaving the subject of remuneration for judges, I would like to remind hon. members of the serious obligation imposed upon us by section 100 of the British North America Act. By virtue of this section, our constitution provides, in the interests of a judiciary independent of the executive, that "the salaries, allowances and pensions of the judges of the superior, district and county courts . . . shall be fixed and provided by the Parliament of Canada". It is, therefore, very much the responsibility of parliament to ensure that remuneration is adequate to maintain a judiciary of a competence and integrity which will continue to carry out its judicial role in a manner of complete independence from the executive.

Members of parliament also have a responsibility to ensure that the money of the people whom they represent is well spent. Bearing in mind the broad influence of our judiciary in Canadian society, as well as the services it renders to individual litigants, expenditures which will assist in maintaining a sensitive, intelligent, diligent judiciary of integrity will bear manifold ultimate returns.

● (1540)

Bill C-47 also authorizes salaries for a number of new judicial positions. In the course of committee action I propose to indicate to hon. members some additional positions which I have been requested to fill by various provinces and upon which we may be able to take action by appropriate recommendation and amendment during third reading of the bill. These provisions directly reflect steps taken by some provincial governments to expand the courts in order to cope with increased workloads. They also reflect the reorganization of court structures in some provinces. Prince Edward Island is reconstituting a court of appeal. Four additional positions on the Ontario court of appeal have enabled that court to carry out an internal reorganization. Alberta has now legislated to consolidate that province's district courts as a single district court of Alberta with one chief judge.

Bill C-47 contains additional provisions which will be of assistance to provinces with respect to the administration of justice and, particularly, the administration of the courts. The bill extends the supernumerary option to county and district court judges. It also creates an option for a chief justice to step down from that position after having served as such for ten years but to continue as a puisne justice of the same court. Enabling provincial legislation would be required for each of these options to become available in a particular province.

I am personally very pleased by the increased attention being paid by many of the provinces to the administration of the courts. We are anxious to assist and co-operate in every reasonable way. It is essential that our judicial system and our entire legal system operate in such a manner that the foremost goal is always service to the public for whom, after all, these systems have been created. It is with this foremost goal, of service to the people of Canada, in view that the government seeks approval in principle and reference of Bill C-47 to committee.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, first of all I want to thank the Minister of Justice (Mr. Lang) for the able way in which he explained the bill now before the House. I agree with him, of course, that the BNA Act sets out that parliament shall fix and provide salaries for federally-appointed judges. Canadian judges of all levels are federally-appointed except for magistrates, now called provincial judges. County court judges, superior court judges—who may be of the supreme court trial division, Queen's Bench, in some jurisdictions—judges of the courts of appeal, the appellate division of the supreme court in some provinces, which is the provincial appeal court, chief justices of the provinces who are the heads of the courts of appeal, judges of the Supreme Court of Canada, and the Chief Justice of Canada are all under the jurisdiction of the federal government which appoints them. Under our constitution, parliament must take the responsibility of fixing and providing their salaries.

I am not sure that it would not be possible for parliament to pass a statute whereby the fixing and providing of judges' salaries could be done by executive order in council. With parliament sitting 10 or 11 months of the year because of the heavy legislative load before it, this might be the answer. The matter could be reviewed and debated in the House. A one-day term could be inserted in the bill, so that if someone wanted to set out certain facts with reference to the increases, it could be done in that fashion.

From what I have read, it seems that not even the best constitutional minds would argue that it could not be done in that fashion. I would ask the Minister of Justice to consider this proposal because I believe that the long delay, through no fault of the minister or of the government, between the time of one increase and the next makes it look as if increases in judges' salaries are out of line with other salary increases.

We in our party believe that the 500 or so judges mentioned by the Minister should receive an increase. We believe that the matter should go to the Standing Committee on Justice and Legal Affairs and that any amendments to the amounts suggested in the bill should be made in the committee, as well as amendments with regard to retroactivity or the percentages of increases. I want to emphasize at this point that all too often it is mentioned that on second reading we debate the principle of a bill. Under the old rules we would be debating the principle of the increase, but the mechanics of it are debated in committee. If any hon. member believes that an increase is justified, whether it is 5 per cent or 40 per cent, then the bill should go to the committee where the exact amount would be debated, as I understand the procedure, and I think I know something about it. Any changes in the bill can be discussed at the committee level. Any motions moved here with regard to the bill would be merely to kill the bill entirely or to delay it.

As I said at the outset, we believe that an increase in the salaries of judges at all levels is justified and we believe that the bill should go to the committee for study. We believe that at the committee level, members of the Canadian Bar Association, and members of provincial bars if they are interested, should appear before the committee

and give evidence on what they consider to be a fair and equitable increase in the salaries of judges.

Therefore, we believe that there should be no delay in sending this bill to the committee. However, it is our belief that the committee must seriously examine the bill. I will deal with that matter in some detail in a moment. As I have said, witnesses should be called before the committee, in particular representatives of the Canadian Bar Association, the group upon which the minister now relies to give him advice on appointments made to the judiciary. Therefore, let us approve the bill on second reading for study only, and hon. members can then make submissions and, if necessary, substantial amendments after the bill has been through committee stage.

I want to make very clear the three points I mentioned at the outset. Our party believes that judges should receive an increase in their salaries and that at this stage we should send the bill to the committee. We believe that the calibre of judges in all courts and at all levels is very high. It is true that our method of appointing judges is different from that of the United States. Once a judge is appointed, the subject cannot be debated in this House: the appointment is done at cabinet level. I believe that is a superior method because, as we know, in politics the question of personalities can come into debate. For example, in debate in Congress a judge is often destroyed before he rises to the proposition of responsibility. I think that over the years our method has worked well.

I believe I have said before that, like some other hon. members, I have appeared in all levels of courts in Canada. Therefore I can say, without reservations—although there are always a few exceptions—that the appointments made by the various governments of Canada over the years, in my experience as a member of the bar, have been excellent. I have been a member since 1944 of the bar of Saskatchewan; 1951, Alberta; and the calibre of judges we have appointed has been very high. They have distinguished themselves on the Bench and have kept the judiciary separate and apart from other institutions of our democratic process.

We believe that the judiciary in Canada must always maintain its independence, not only independence from political institutions but independence from any influence, conflict of interest or suggestion which might interfere in any way with a clear, honest and forthright judicial decision. That is why, in looking at judges' salaries, one should realize that in this regard they represent a unique profession: they must be independent and they must be economically secure; otherwise we would have problems, which we have not encountered in the past.

I know the minister will agree when I say we must stress the independence of judges. It guarantees security of the weak against the strong; it protects the individual against the community and the all-powerful state; it presents a shield against tyranny of power and arrogance and against the irresponsibility and irrationality of popular action, whether of opinion or of violence.

● (1550)

Often there are crimes committed in society where, once the facts get into the media—and I am not criticizing the media—there is an emotional and social stimulus and people are often convicted before they reach the court of justice where they are to be tried by a judge and jury. I will tell the House about the last experience I had in this regard. There were 13 men charged with murder. Some of them were younger than 21, but most of them were around 21 years of age. They went to trial in my city. They belonged to a motor-cycle gang. No one in society really likes motor-cycle gangs: they go about with loud motorcycles, chains and various other weapons, and make threats.

There were two motor-cycle gangs and they agreed to meet at a place called Little Rock, near Calgary. They got into a fight and their leader was killed. Thirteen of the Grim Reapers gang were charged with murder and all were found guilty by a judge and jury. The trial judge refused to separate the trials. One or two of the people who belonged to the motor-cycle gangs went out in a car that night and merely went into a house; they did not know the plan; they went along only for the ride—yet they were all found guilty of murder. I was not counsel at the trial, but it fell on me, as senior counsel, to argue the case in the Alberta Court of Appeal. The case went to the Supreme Court of Canada. Twelve of the 13 received a new trial. At the second trial, five were acquitted; the others were found guilty of manslaughter and sentenced to 2½ years' imprisonment.

Judges must realize the temper and the emotion of society in regard to such crimes, and when society is ready to do what has been done in the deep south at times. Every level of society is faced with the same emotional, psychological problems when these things happen, so we must have men who completely understand this kind of psychology. The independence of judges enables the voice of sanity to rise above the turbulence of passion. It has to be preserved inviolate.

But what does independence of judges imply? It can be nothing short of this: that the minister to whom such an authority is committed shall himself be the first to respect what has been entrusted to him, the administration of the rule of justice under law, including loyalty to its institutions. In other words, if a minister of justice committed a crime—something like the problems which were experienced in the United States—a judge must be so independent and so secure in his position that he is able to deal with the matter with the degree of independence that we expect of the judiciary.

Mr. Benjamin: He did commit a crime—operation LIFT.

Mr. Woolliams: The public acceptability of character for such a function is that which exhibits itself in action as being beyond influences which tend to taint its discharge with alien factors. Vital damage to the state would be the impairment of that independence. Its constitutional character is essential to the public acceptance of our mode of resolving conflicts. Judgments may be criticized; they may call for legislative amendment—but the underlying, basic assumption is the intellectual and moral integrity of the judicial officer in the execution of his office. Only under a regime of law can societies today be maintained in peace and freedom. Its administration must carry the respect and acceptance of the public as being of the character postulated.

I will deal with the longshoremen. I do not know all the facts and I am not going to get into that, but parliament passed a law and apparently the men did not go back to work. Once they saw that a judge had passed an injunction against their conduct and the fact of their breaking the law, they went back to work. I hope that is always true in this nation when we are dealing with so important a subject. I hope that will happen again in the province of Quebec. I hope it will happen all over Canada whenever we find that there is violation of the law. In my opinion, nothing justifies violation of the law. But that does not mean we cannot protest. It does not mean we cannot take action to change unjust laws. Some of my good friends might say that sometimes extreme methods have to be used to change unjust laws, but to break the law itself would lead to anarchy.

Impartiality must mark judgment to the extent possible to men and women. Our court system is the result of thousands of years' experience, and so far as it may be imperfect the answer is that man is imperfect. But it bears favourable comparison with any other system of mankind, and the preservation of the essential quality of freedom in its ministers from influences foreign to its processes, conscious or unconscious, is a supreme necessity. The governing fact in that condition is the acceptability of the mind so influenced, the confirmation of which exhibits a moral sense incompatible with the judicial essence. Nothing short of that would suffice.

I might repeat that we have that kind of judiciary in Canada and that the main reason judges must be paid sufficient money is not only to attract the best men and women from the legal profession to the Bench, but to assure them the kind of security necessary to perform to the highest degree their job of human excellence. When choosing a judge you must consider, above all, his character and his personality. In my opinion, judges should display patience, compassion, integrity, sincerity and, above all, gentleness. We need gentle lady judges and gentlemen judges, and I use "lady" and "gentleman" in the traditional sense. Of course, it helps if the appointee knows a little law and a little psychology.

● (1600)

When I began practising law, I knew a Liberal member lawyer who used to represent a Saskatchewan riding. I am referring to Mr. Justice McNiven who was a supporter of the Mackenzie King Liberal government before being appointed to the Bench. Others may have possessed more brilliant academic minds; that is not for me to say. I can say this about him, however: he was a gentleman, helpful to young lawyers and good to litigants. He left the impression with all who saw him preside over a court that litigants were given their full day in court. I suggest that his experience in parliament gave him greater insight into human nature than he would have gained merely from practising law. After all, if a judge understands human beings, understands human nature, one can be certain he will be fair. One can be certain that such a judge, when he charges a jury, will charge it fairly. As we know, judges sometimes tell the jury what they feel about a case. They are supposed to tell the jury the law. If the judge who charges the jury shows understanding, sympathy and tolerance, one may be sure the jury will do the right thing.

Let me now examine some of the recommendations in the bill. I have listened carefully to this debate, and I will be interested to hear what my friends of the NDP will say. Although in this second reading debate we are approving the increases in principle, that does not mean, necessarily, we approve all salaries set out in the schedule or that those salaries should not be examined in committee. On the other hand, we do not reject the idea of increases. I must sound almost like Mackenzie King.

Mr. Nowlan: Increases if necessary, but not necessarily increases.

Mr. Woolliams: We, in my party, do not engage in political hanky-panky. Some suggest that we cannot change the schedule; that if we do we shall kill the bill. I do not want to do that. On the other hand, I think we should examine it carefully. I disagree with some members of my party. Some people are shocked at this. They say, "But the people in your party do not agree." It has always been that way. It would be a dull party, a dull caucus if every member of it were to agree on everything all the time. What's more, I think the whip would faint.

Mr. Nowlan: So would the leader.

Mr. Woolliams: We must always be critical; that is what democracy is all about. In Germany, you either agreed with Hitler or you did not live. We are different. Naturally, lawyers see things in a different light. Those who are not lawyers may not share their viewpoint. That is why this bill must be referred to committee for further examination. We must consider this bill in light of the government's call for restraint: it is asking business and labour leaders to restrain their demands. Our economy is in a most sensitive period, and I hope the members of this House will not take advantage of the sensitivity of the times to turn this into a partisan, political debate.

I want to examine the schedules. The salary of the Chief Justice of Canada, that most important head of our judicial process, is to increase from $50,000 to $68,000. That represents an increase of 36 per cent. Remember, the Chief Justice carries out some of the functions of the Governor General. I think something should be said about the general rise in the cost of living. Remember, Mr. Speaker, that judges are not like union members who renegotiate contracts every two years or so. Their increases come less frequently. Since October, 1971, when the judges last were granted an increase, the cost of living has increased by 32.8 per cent. To be more accurate, the cost of living rose by that amount between September 1, 1971, and March 1, 1975.

I have dealt with the Chief Justice. Let me now deal with the other judges of the Supreme Court of Canada. Now they are paid $45,000. Their salary is to rise to $63,000, or by approximately 40 per cent. The Chief Justice and Associate Chief Justice of the Federal Court are paid $44,000. Their salary is to increase to $58,000, or by 32 per cent. Their salary is somewhat lower than that of supreme court judges, but this is a new court. I will say no more about it. The chief justices and associate chief justices of provincial and superior courts, and in this category one must include the chief justice of the appeal court and chief justice of the trial division, are presently paid $42,000. Their salary is to increase to $58,000, or by 38 per cent. I

am referring to a table of figures which was kindly supplied to me by the department.

The other judges of provincial superior courts are presently paid $38,000. Their pay is to rise to $53,000, or by 38 per cent. The chief judges of county and district courts are paid $30,000. They will receive, once the bill is passed, $44,000, or an increase of 46 per cent. The salaries of other judges of county and district courts will rise from $28,000 to $40,000, or by 43 per cent. In the third phase, the salaries of chief judges of county and district courts will rise to $51,000, or by 70 per cent over-all; and the salaries of county and district court judges will rise to $46,000, or by 64 per cent over-all. I think the committee should look at these figures.

The Minister of Justice suggested today that in accordance with suggestions of bar associations—this has already happened in some provinces—the former differences in jurisdiction between county and superior courts are being phased out. As the responsibilities of the judges will be similar, I think it is fair to give them the same salaries. Unfortunately, such arguments are as full of holes as the watering can you use for sprinkling flowers. Again, this is an area the committee should examine. We must also remember that district court judges are now handling divorces which at one time were the sole prerogative of the supreme court division. They are hearing jury cases and all sorts of criminal cases. They are hearing cases involving larger sums of money than ever and we must consider whether they should be paid less than other judges.

There is to be another change in connection with surrogate court work and other cases coming before county courts. Certain provisions of the act are to be phased out. The federal government is to be responsible for certain financial aspects connected with surrogate courts. As we are dealing with salary increases, I think I ought to read one paragraph from "Proposals for the first year of consensus." It reads:

> The fourth element in the wages and salaries guidelines tries to introduce an element of equity. At the upper end of the scale, it is proposed that no group, no matter what the change in income over the last two years, should be allowed to get more than $2,400 increase in the first year. This represents 8 per cent, the target rate of price change in the first year, of a salary of $30,000. At the lower end, it is proposed that increases of $600 should be allowed in the first year regardless of the size of the increases received in the past two years. The $600 figure represents a 12 per cent increase for those earning $5,000 a year, about the minimum wage.

The committee must consider some of these things. Remember, the principle being applied to judges is the principle which was applied to members of parliament. The last salary increase took place in 1971, and it would not be fair to apply guidelines to judges which apply to some others. On the other hand, the public is entitled to an explanation from the government concerning these increases. After all, they are being asked to restrain their demands. This is a time of great sensitivity and, as I say, I hope debate on this bill will not degenerate to an exchange of partisan opinions. It is necessary to put some of these things on record so that judges, if they read the record of this debate, will understand the pressures at work behind the scenes.

[Mr. Woolliams.]

While we are on the subject of lawyers, may I read into the record some proposals concerning professional fees:

● (1610)

> It is proposed that increases in fees for professional services, such as the services of doctors, lawyers, accountants and consultants, should be governed by the same general principles as apply to other prices and incomes. Specifically, it is proposed that professional fees should only be increased by the amounts required to cover the increased costs of providing the services and to improve the net income of the self-employed professional person the same amount as would be available to the salaried professional person. Thus the $2,400 maximum increase would apply in the determination of professional fees. The technical questions which might arise in the application of these principles have not yet been fully explored. Provincial representatives have been requested to consider their application to professional fees falling within their areas of jurisdiction, and it is expected that this question will be considered further at the next meeting with provincial officials.

I do not know when that will be because, after today, I do not know whether they will meet or not. How do you control professional fees? A lawyer practising law may get up at six o'clock in the morning and work until midnight preparing his case. He may have another group working on mortgages and leases. This lawyer may earn $10,000 or $15,000 more, but he is not like those who have secure positions in the government. They check in at nine and when the bell goes at 4.30 there is a cloud of dust. That situation is entirely different from free enterprise.

I say to the government that there is no chance of their controlling professional fees. When I was practising law I sometimes worked all night. As I said to somebody, I work hard here, but when you are in a profession such as the law and you make your living from practising law—and I do not mean with the government or an oil company—and you have to pay your rent, the salaries of secretaries, and take some food home for the baby, you really have to hustle. I do not know whether the minister practised law. He is a Rhodes scholar and because of his great academic ability became a professor and dean of a university. I have one of his students in my office. I did have two. If this one is of the same high calibre as the other, he should be proud. I hope he reads this: I did not intend to say it.

I want to deal now with a very interesting viewpoint. There is one thing I like on television, the program "Viewpoint". I listened to a fellow talk about members' salaries. If all the facts presented to a court were like the facts presented on that show, it would be awful: there would have to be a new trial on the evidence. I listened to a fellow named Ben Marcus. He was a good performer. He looked right into the CBC camera. Whether he was reading from a prop or not, I do not know.

Mr. Baker (Grenville-Carleton): He is an Ottawa lawyer.

Mr. Woolliams: I want to thank the CBC for giving me a copy of the script. This show was televised from Toronto. He said:

> Tonight I am going to urge you to consider the absurd proposition that 400 salaried public servants are highly deserving of substantial pay increases. One group earns $33,000 per year and ought to earn $46,000. The other earns $41,000 and ought to earn $55,000.
>
> Only a small percentage of Canadians will have personal experience with our court system, and too few Canadians appreciate the protection they receive from the law and those who administer it on a day to day basis. The common concept of our courts comes from sensational

and dramatic movies, television programs and novels whose relationship to reality is, to say the least, remote.

I give him 100 per cent marks for that. When I see programs where a fellow runs up and whispers to the judge, I become nauseated. If I tried that in a courtroom, I would be worse than nauseated. He went on to say:

Our county and superior court judges who are federally appointed are dedicated people who devote their lives to the adjudication of disputes arising between individuals, corporations and government.

He then said what the Minister of Justice (Mr. Lang) and I say:

They judge with impartiality, without passion or prejudice on all of the possible matters of dispute both civil and criminal that arise in our complex society. They apply the law as passed by our legislators.

They do more than that. A great volume of law has never been passed by our legislatures or parliament. There is the common law which is really traditions which have been crystallized. There are many volumes of common law in our law libraries.

Mr. Mazankowski: The law of the jungle.

Mr. Woolliams: It may be the law of the jungle. I am not sure of that. Sometimes it is very difficult to know what is law. Mr. Marcus went on to say:

Well, then, what sort of treatment do these judges receive at the hands of the lawmakers and the Canadian public? What sort of justice is meted out to them? They have not had a pay increase in over four years.

That was true of members of parliament, but there was a different fellow on "Viewpoint".

We treat our street cleaners and garbage collectors better than that.

This is the line that got me:

Unlike members of parliament or senators, judges are prohibited from earning any extra income over and above their salaries.

That is correct. They are not to earn any extra income. In most cases, they do not.

They cannot retain active business interests; they cannot sit on the boards of directors of companies—

There may be some senators who do, but I do not know that many members of parliament sit on boards of directors.

—and they are prohibited from practising law if they should resign—

I might point out that that is not quite accurate. I know a lot of men who have quit the Bench. One who quit the Supreme Court of Canada is practising law. I do not think it is looked upon with great favour when they appear in court, but they may give advice to their firms.

—and unlike our parliamentarians, all of their salary is subject to tax—

I would say that all of our salary is subject to tax. There is an expense allowance, as in any other business. The problem is, it is not always equal because of the different regions from which we come. I will read one other section of this interview:

But what will happen if we do not pay judges more is this: fewer and fewer qualified people from the legal profession will be willing to take appointments to the Bench.

That is the point the Minister of Justice made.

The difference between what they could make in private practice and the salary of a judge is just too great.

I agree with that. However, I will also say this: I know the ability, before the bar, of the right hon. member for Prince Albert (Mr. Diefenbaker). I forget his salary when he became prime minister. It could have been $25,000—no more. He could have been making $100,000 a year as a lawyer. In fact, he was offered a partnership in Toronto. I also know that junior partners in law firms in my city would not work for the salary we receive in this place. I know of high calibre men in top positions who have turned down judgeships. I will name two: there is Mr. Chambers, a very distinguished counsel. My leader would know Mr. Chambers because be comes from Nova Scotia.

Mr. Stanfield: He came from New Brunswick.

Mr. Woolliams: I knew he was from the maritimes. He was in the former R. B. Bennett's firm. He was offered the chief justiceship of our province by the Diefenbaker government, and he turned it down. He did not feel he could do it, with the family responsibilities he had at that time. I know another very distinguished man, Mr. J. J. Robinette, Q.C., of Toronto, who turned down an appointment to the Supreme Court of Canada. He has one of the best legal minds in Canada.

● (1620)

So we must analyse what the Minister of Justice says very carefully. The appropriate place to do this is in the committee, because we do want the best people on the Bench. There are some failures among those who practice law, as there are some failures in the medical profession and in business. But surely we do not want to pick up the failures at $25,000 a year and put them on the Bench interpreting the laws of Canada. That is the question we should ask ourselves when we are dealing with the judiciary. Let us make sure we get men of the best possible calibre. I emphasize this. It is something we must do at the committee level.

Mr. Marcus said what we should be doing right now is urging members of parliament, no matter what their political persuasion, to give immediate passage to this bill. I don't need to be sold on that; I agreed with it when I started. There was a call last year for an independent commission with authority to carry out a regular review of the judges. I will not quote any more from that interview except to review just one thing that I believe under the constitution: we pass an act and we assign that responsibility to the executive by order in council in the same way as many other things are done. We may want to add some checks and balances by referring the question for a one-day debate in the House to test public opinion.

Having made our position very clear, there are very few things left to say. I have a couple of things that might add something to the committee. One judge said—I hope nobody will ask me who it is—what he thought about these things:

It is certainly desirable that the differential between the county and district courts and the supreme court should be reduced. Hence, an increase in the district court salaries of a higher percentage is justified at this time. Another thing this concept will bring into being is elimination of what I think to be a bad practice, that of federally-appointed judges receiving additional salary from provincial or other sources.

As you know, there are no county court or district court judges in the

province of Quebec. All of the federally-appointed judges are appointed to the supreme court. I know that in Ontario, and to an extent in other provinces, the district or county court judges have received considerable outside funds, in some instances exceeding $6,000. I am satisfied the Department of Justice is very wisely working toward the elimination of these outside emoluments.

I am sure the main reason the Department of Justice is thinking of making part of our increase retroactive is that there was somewhat of a gentlemen's understanding with John Turner that judicial salaries would be reviewed every four years, and making the increase partially retroactive to the spring of 1971 is in line with this concept. I don't know that the minister's understanding with us at the judicial council is generally known.

I think that is correct; I am so advised, and I remember discussing this with the former minister of justice and I think he would agree with it.

An hon. Member: The last page!

Mr. Woolliams: Well, it is an important matter and I have taken a little time on it. I see by the clock that I have been speaking for 30 minutes; maybe that is a little long, but it is an important subject.

An hon. Member: Keep going.

Mr. Woolliams: Against this, however, if judicial salaries compared to those of the legal profession are as low as they currently are, I would think it would become more and more difficult from simply an economic point of view to attract the best lawyers to the Bench. It will be a sad day for the administration of justice in Canada if it is generally regarded in the legal profession that anyone taking a judicial appointment must be doing so because he cannot make it in the profession. A judge said that to me. This could be the result if salaries remain as they are, with the cost of living rising as it is.

I want to deal for a moment with the limitation on provincial remuneration. This is from the working papers that I think the Minister of Justice was talking about. In connection with the proposed salary increases, it should be noted that this bill will authorize an amendment to section 38(2) of the Judges Act to limit the remuneration a judge may receive under provincial law to a maximum of $3,000 per year. I think that is a move in the right direction.

One last point that I have to make before concluding is this: the widows of judges, as the Minister of Justice said, have suffered over the years. I recall a man—imagine the hon. member for Winnipeg North Centre (Mr. Knowles) will remember him—Manley Edwards, who was a member of the Liberal Party here, a member of parliament who served in one or two parliaments and was appointed to the district court. I think the pension his wife received when he died was less than $200, and she had to go out and take various jobs in the city. I do not want to go into that; it was a personal thing. There are many of them getting a pension of $5,000 or less. What I am saying is that amendments to increase the amount that widows of judges get should be supported, because a judge, as the Minister of Justice said, is at the peak of his earning power when he is appointed to the Bench. I think that is a move in the right direction and I hope it applies now to judges' widows.

I know there are members of parliament who served in this House for 20 or 30 years and who left with about $250 in pension. When anything has been done in this House with reference to ourselves, I think of the men who have served here. I know one in particular; he not only served many years in the army but many years in parliament. Some of you may know who I am talking about—a very distinguished gentleman. He left this House with that kind of income. The man I defeated in Bow River had to get the farmers of the area to help him move his furniture when he left this institution. That is not good enough.

One last thought. I know the hon. member for St. John's East (Mr. McGrath) is going to deal with it, so I will only say this. I want the Minister of Justice to think about it. There is no reason in the world why the Minister of Justice and this government should not appoint the judge in Newfoundland. The minister says he doesn't know who to find. Well, I will tell the Minister of Justice to stop this hanky-panky nonsense. If he cannot find a Liberal, let him appoint a Conservative.

Some hon. Members: Oh, oh!

Mr. Woolliams: I say that with all sincerity.

An hon. Member: What's the difference?

Mr. Woolliams: An hon. member to my left says, "What's the difference?" On the Bench there is no difference. That's a good question; the best the hon. member has asked since coming to the House.

Some hon. Members: Hear, hear!

Mr. Woolliams: Yes, a very intelligent question. But the big problem in Newfoundland and some other provinces—I believe Prince Edward Island operates like that; I forget now because I have not checked into it: I know New Brunswick does it—is that the trial division sits on appeals, so that if you are one judge short you cannot hear any appeals. That is not good enough. If we are going to get this bill through, some of the members, particular from Newfoundland, will be asking the minister to get cracking and make that appointment without further delay.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, it was my intention to begin my remarks by expressing agreement with some of the important statements made by the Minister of Justice (Mr. Lang), but I have decided instead to do that a little later on because I want at the outset to say that this is one of those occasions when, although I cannot agree with the position taken by the hon. member for Calgary North (Mr. Woolliams), I feel I must commend him on the speech he has made. I do so because I feel he has addressed himself to the issues which are involved in the bill before us. There are a number of important instances where, in addressing myself to the issues, I come down with a conclusion directly opposite to his. But even though we may disagree, I think it is good debate when we are talking about the same things.

● (1630)

May I now return to the Minister of Justice, and in this respect, of course, I am commenting on something said by him and also by the hon. member for Calgary North. I express my complete agreement with the view that the

judiciary is a very important aspect of any democracy, certainly a very important aspect of Canadian democracy.

I want also to join with both of those who have spoken thus far in this debate in saying that we are well served by our judiciary. There have been some decisions made at various court levels with which I have disagreed. There are one or two that are current with which I may disagree. Likewise, there are times when I may disagree with the decisions of the Chair, but I still respect the Chair and all the occupants of it for their fairness and impartiality. The fact is, however, that an independent judiciary is something without which our democracy would not be secure. It is the place where the rights of individuals are protected. It is the place where decisions on the matters that affect individuals, or the principles that determine the whole nature of our society, are made. It is terribly important that we hold the highest respect for the judiciary and that we do everything we can to strengthen it.

I suppose there are members who are already saying to themselves, "How long is the member for Winnipeg North Centre going to talk that way before he tells us where he and his colleagues stand on this bill?" I just want to make it clear that what I have said by way of preamble is not just said for the purpose of being on the side of the angels so far as the judiciary is concerned, but because it is something about which we in this party and in our movement feel very strongly.

Even so, Madam Speaker, we think that some of the issues to which the hon. member for Calgary North addressed himself are serious and important issues, and we in this party have a view respecting those issues that differs radically from the views expressed by the Minister of Justice and by the hon. member for Calgary North.

We agree that one of the ways in which to provide for the independence of the judiciary is to make sure that individual judges are free from economic concern and anxiety. In other words, we agree that the salaries paid by Canada to her judges should be generous. I believe the hon. member for Calgary North would have a difficult time trying to get any court to reinterpret section 100 of the British North America Act to permit the salaries of judges to be established by the federal government through an order in council rather than by parliament itself. I think it is good that our constitution requires us to deal with the question of the salaries of judges here on the floor of the House of Commons rather than leaving it to the cabinet to be dealt with by order in council.

Even after saying quite clearly that we feel parliament must grapple with this responsibility, and that parliament must be generous so there will be dignity attached to being a judge and there will be freedom from anxiety and concern for our judges, we think there is such a thing as overdoing it. We look at the salary schedules provided in Bill C-47 and say quite frankly that we think the government is going too far. We say that, Madam Speaker, with particular conviction at this time in our economic history. The issue in this bill is awfully close to the issue that was before us in Bill C-44.

Mr. Gillies: No, it is different.

Mr. Knowles (Winnipeg North Centre): My hon. friend from Don Valley (Mr. Gillies) says it is different. There is the difference in that I was opposed to any increases being provided under Bill C-44. I am prepared to support reasonable increases for judges, but I still think that we have to consider what the salary increases that this House is prepared to give to judges will do to the efforts being made to get our economy on the track.

In Bill C-44 we were dealing with the salaries or incomes of 264 members of this House and 102 members of the other place, a total of 366 individuals when the seats are all filled. I think that the action of parliament in providing for the boost that was contained in Bill C-44, even though it applied to only 366 persons, had a serious effect on the economy of this country. The proposal for that increase has been around since December, and I think some of the spiralling inflation that we are now experiencing has been triggered by what was done with respect to these 366 persons.

The Minister of Justice says that the number of judges in Canada is just over 500. That is even more than the total number of members of the House of Commons and the Senate. I submit that if we propose, in percentage terms or in absolute terms, massive increases in the incomes of another 500 persons because we owe them a particular respect, because we put them at the top of the ladder in terms of what is important in this country, this cannot but add to the inflationary effects that we have already fed to the economy by passing Bill C-44, even though some of us opposed that bill all the way.

I listened with particular interest to what was said by the hon. member for Calgary North. As I said earlier, I disagree with his conclusion, but I commend him on picking up and reading from the working paper distributed by the Minister of Finance (Mr. Turner) the exact restraint limits that are suggested in that working paper.

Everyone knows that a major issue now before the country is: what do we do about inflation? The government takes the view that somehow there must be restraint. The government view is that restraint should express itself in the precise terms quoted by the hon. member for Calgary North, namely, that no increase should be more than 12 per cent per year, or particularly in the case of higher salaried professionals and executives, more than $2,400 per year, whichever is the lesser. I suggest that for the government to be talking restraint proposals of that kind—a limit of 12 per cent or $2,400 per year—and then to break those proposals, pierce them if you will, for members of parliament and now for judges, and who knows next, just knocks the stuffing out of any possibility the government might have to sell its restraint program.

● (1640)

Mr. Woolliams: Madam Speaker, I have already pointed this out, but I would like the hon. member to be fair, and I think he will be when I make the point again. In this context we are dealing with a situation in respect of salary increases which are reviewable every two years. These judges, like members of parliament—and I do not want to mix the two together—have not had an increase for four years. So the situation is somewhat different. I am not saying the formula should be entirely different, but we are mixing apples and oranges.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I heard the hon. member say that in his speech once or twice, and he has said it again now exactly as he said it before. Of course, I was going to deal with it although I had planned to do so a little later. However, I do not mind shifting my speech a bit and dealing with it now. The hon. member makes the point that there have been no increases for our judges since 1971. The amending bill was passed in the fall of 1971 and it was made effective, I think, in July 1, 1971, so let us say it is four years.

If the guidelines of the Minister of Finance are to apply to those four years, even at $2,400 a year it amounts to only $9,600. Even if you apply that line, they would get only $9,600. There is no judge on the list whose increase is only $9,600: they are all more than that. Giving them full credit for the four years at the maximum figure suggested by the Minister of Finance, it would be—

Mr. Gillies: When was the last increase for judges?

Mr. Knowles (Winnipeg North Centre): In 1971. I would prefer to agree to an increase of just $2,400 a year starting now; that is enough. But I would be prepared to accept the government's guidelines, so that four years times $2,400 is $9,600, yet the increases that judges are going to get are $18,000, $16,000, $15,000, $22,000 and $18,000. Those are the amounts the judges are going to get, having waited four years, but that is greatly in excess of the restraint proposals set out by the Minister of Finance. I submit that the Minister of Finance might as well leave us.

Mr. Gillies: I could agree with that.

Mr. Knowles (Winnipeg North Centre): The Minister of Finance got an answer from the Canadian Labour Congress which was to the effect that labour would not buy his proposal unless he did certain other things. He got an answer yesterday from the business community which was to the effect that they did not like his proposal either. He got a pretty effective "No" from the opposition side of the House in a couple of votes that took place yesterday. Now, after all that, if he is prepared to be part of a government that is willing to forget all about these restraint proposals because the judges are a particular group, then the consensus or restraint program is over.

Mr. Benjamin: Everybody is in a particular group.

Mr. Knowles (Winnipeg North Centre): My hon. friend, the hon. member for Regina-Lake Centre (Mr. Benjamin), has taken the very words out of my head which I was about to give out of my mouth. Judges are not the only people who are special persons in this Canada of ours. The people for whom the judges have to make decisions are also important. The pensioners, the workers, the mothers in the home, and the persons going into the supermarkets trying to get enough food for the money they have, are all important—they are all Canadians. They are told they must settle for an increase of not more than 12 per cent a year, or $2,400 a year, whichever is the lesser. But for ourselves in the House of Commons and for those persons over in the other place, the restraints do not apply. Now we are back again this week with another series of increases.

[Mr. Woolliams.]

When we were dealing with Bill C-44, the working papers had not leaked out. Now we have these working papers in public, and here is the government back again with these proposals which I suggest are so far beyond the guidelines in the working papers they just do not make sense at all and cannot be expected to be swallowed by anyone who tries to be reasonable or responsible.

I have already expressed my appreciation for the way in which the hon. member for Calgary North put his speech together, even if I disagree with it. I have to say again that the figures I have on the salaries vary slightly from his. He said he got a table from the Department of Justice. I did not do that, but I have taken the bill and the statute as it is and we seem to vary by about $3,000. I suspect that the salaries he has been given, both now and what they will be after the bill goes through, are about $3,000 higher than mine because he has included some representational allowances or some other allowances of that sort that they will get. The figures I have are along these lines: at the present time, the Chief Justice of the Supreme Court of Canada is receiving $47,000 a year.

Mr. Woolliams: Madam Speaker, I rise on a small question of privilege. We are not engaged in any big argument. The hon. member is absolutely right, but to his figures should be added $3,000 because that is the amount payable for extrajudicial duties. The chart I read from has the exact figures which are the same as the hon. member's, to which $3,000 has been added except in the case of the Federal Court, and I think there it comes to $4,000.

Mr. Knowles (Winnipeg North Centre): That is fine. That reconciles our figures, but I wanted to be clear that I am taking my figures from the act as it stands and the bill now before us. The chief justice will go from $47,000 to $65,000. That is an increase of $18,000, which in anybody's arithmetic is 38 per cent. The other judges of the Supreme Court of Canada will go from $42,000 to $60,000, which is an increase of $18,000, and that is 42 per cent.

Then the chief justice of the Federal Court and the chief justice of each of the provincial superior courts, the court of appeal and trial division, go from $39,000 to $55,000. In both cases the increase is $16,000, or 41 per cent. The other judges of the Federal Court, and likewise the other judges of the superior courts of the provinces, go from $35,000 to $50,000. That is an increase of $15,000, or 42 per cent.

Let us now look at the judges of the county or district courts, of whom there are a lot more. I appreciate the fact that in percentage terms they are to get more than those in the provincial superior courts, the Federal Court and the Supreme Court, but look at these figures: the judges of the county and district courts are now getting $19,000. The chief judges of those courts will go to $41,000. Somebody is going to say I am being unfair. I do not see how I can be, but that is an increase of $22,000, or 110 per cent.

In the case of the other judges of the county and district courts who are now getting $19,000, the same as the chief judges, they will go to something less than the chief judges, namely, $37,000. That is an increase of $18,000, or 94 per cent. Explain this away as you will, by saying there are some sources of income they will not be entitled to get, against which there are some new allowances that they have not been getting before, but the fact is that those are

the kinds of increases this bill is providing—all the way from a low of 38 per cent to a high of 110 per cent.

In the case of county and district court judges, and it applies to them only and not to judges of the Supreme Court, the Federal Court or provincial superior courts, there is a further provision for another increase a year from now. The chief judges of the county and district courts, who are getting now an increase of 110 per cent, have built into this measure another 17 per cent increase, that is, another $7,000, in April 1976. The other judges of those courts will have another $6,000 added on to their $37,000, bringing them to $43,000 a year, and that is 16 per cent on top of their present 94 per cent.

● (1650)

I do not take back one word of what I said in my opening remarks about respect for judges and the importance of the judiciary, but I do not see how the Parliament of Canada can be talking about a restraint program of 12 per cent, or $2,400, as a maximum for Canadians and deal with a bill that provides increases as high as 110 per cent now, plus another 17 per cent a year from now, or 94 per cent now and another 16 per cent a year from now. The minister may tell me this is aimed at doing something we want to do, namely, narrow the gap and that it will provide a higher percentage for the lowest paid judges than for those at the top. That is a principle we support. But I discover at the present time the dollar gap between the lowest and the highest paid judge is $28,000, that is, between $19,000 and $47,000; and under the bill—when it is all said and done, the gap will still be $28,000: there is no change at all in the gap. There is a difference in percentage terms, but the highest paid judge in Canada will still be receiving $28,000 more than the lowest paid judge under federal legislation.

I do not think what I am saying contains any element of disrespect for judges or disrespect for their needs. They are Canadians as we are. They are living today in 1975 when there is an economic problem in this country. I think they, along with us, should be giving leadership to the people of this country, and it is not leadership to be making a case for very much more than we are prepared to give the ordinary people of this country.

Earlier I referred to the judiciary of this country as serving us well. My friends in the legal profession, and I refer not only to those in our party, tell me that the calibre of judges on the Bench today is particularly high. Some of them feel it is higher than it was. It has not been a problem to get good men or women on the Bench because of the salaries paid. I suggest there are other things involved besides salaries. There is the security of the job itself; there is the security of the pension provisions; there is the prestige and the satisfaction of knowing that one is part of a very important process in Canadian democracy. I think it is a bit of an insult to say that the only way we will get people to do that sort of thing is by paying these salaries that are so much more than is needed in order for them to keep up with the cost of living, and so much more than we are prepared to let others have.

I had occasion a few days ago, I believe it was when we were dealing with the estimates of Treasury Board, to make the point that I think, as do my colleagues, that a cost of living increase should be for that portion of one's income that one spends in order to meet the cost of living. This myth of a percentage across the board for the person receiving $5,000 and the same percentage for the person receiving $50,000 just does not wash. I do not think there is a case for giving those at the top level the same percentage we give to those at the lower levels, but in this case we are throwing the restraint proposals out the window and saying that while others are entitled to only 12 per cent or $2,400 a year, the judges are entitled after four years to 38 per cent, 41 per cent, 42 per cent or even higher.

As I say, if we turn this percentage into absolute dollars and take the figure of the Minister of Finance of $2,400 for four years, that is $9,600, and not one of those salary changes is anywhere near $9,600: they run at $15,000, $16,000 and $18,000. I think $15,000 is the lowest I have in front of me in my notes in respect of any of the increases; yet the Minister of Finance says it should not be more than $2,400 a year, which is $9,600 in four years.

I believe we are back to the philosophy some of us have, that we should not be building in Canada a society of an elite at the top and ordinary mortals down below. I do not take away from my readiness to provide judges with complete freedom from economic anxiety or economic concern, but I feel very strongly that we should treat them as part of the Canadian populace. I think they should be concerned about inflation and what is happening, and I think the restraints that some of us thought should apply to us as members of parliament and which the government proposes for others should apply to them.

It had been my hope to finish my speech before five o'clock, but I see I will have to take a few minutes this evening.

An hon. Member: That is nice to look forward to.

Mr. Knowles (Winnipeg North Centre): Can I be sure that my friends will all be back at eight o'clock?

An hon. Member: Yes.

Mr. Knowles (Winnipeg North Centre): Then I do not need to give notice of the amendment I will move tonight, because my friends will all be here.

Mr. Baldwin: Is it in order?

An hon. Member: Let's hear it now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, do you see the kind of friends I have? They say they will be here at eight o'clock, but when I suggest I have an amendment they are not so sure; they would like to hear it now. I shall read out the amendment, Mr. Speaker. This will also be a courtesy to you so that you can look it over during the dinner hour, and then I shall move it at the end of my remarks. May I say that it is a reasoned amendment.

Mr. Peters: And reasonable, too.

Mr. Knowles (Winnipeg North Centre): May I point out, as the hon. member for Peace River (Mr. Baldwin) and I well know, that it is a little difficult to draft a reasoned amendment and get it past the rules. There has been only one reasoned amendment accepted so far in this

parliament. It was one moved on February 6 by the hon. member for Northumberland-Durham (Mr. Lawrence). I might think a reasoned amendment should take some other form, but I am smart enough to know that if I want it to be in order, I should follow the form of the one that was in order. It appears at page 2977 of *Hansard* for Thursday, February 6. The amendment I shall move will follow that amendment and it will be in these terms:

That all the words after the word "that" be struck out, and that the following be substituted therefore:

"this House declines to give second reading to Bill C-47 because it fails to limit the salary increases contained therein to the restraint limits proposed by the government, namely that executive and professional salaries should not be increased by more than 12 per cent or $2,400 per year, whichever is the lesser."

As I say, I shall move that amendment at the end of my speech tonight, but I am sending a copy to you now, Mr. Speaker, so that you can look it over during the dinner hour, so that hon. members opposite can decide that this is the time to vote for their government's restraint proposals, and so that the Leader of the Opposition (Mr. Stanfield) can give it his best thought as well.

May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Elgin (Mr. Wise)—Agriculture—Fertilizer—Justification of price increases; the hon. member for Northwest Territories (Mr. Firth)—Housing—Native housing program—Reason for reduction in number of starts—Ability of native people to afford mortgage interest rates; the hon. member for Kootenay West (Mr. Brisco)—Bankruptcy—Society for the Study of the Heritage of Canada—Reason for permitting close alignment with office of Secretary of State.

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

[Mr. Knowles (Winnipeg North Centre).]

• (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Mr. Speaker: The hon. member for New Westminster (Mr. Leggatt).

Some hon. Members: Stand.

Mr. Speaker: The hon. member for Esquimalt-Saanich (Mr. Munro).

Some hon. Members: Stand.

Mr. Speaker: The hon. member for Vegreville (Mr. Mazankowski).

Some hon. Members: Stand.

Mr. Speaker: The hon. member for Vegreville (Mr. Mazankowski).

Some hon. Members: Stand.

Mr. Speaker: The hon. member for Edmonton Centre (Mr. Paproski).

Some hon. Members: Stand.

Mr. Speaker: The hon. member for Brandon-Souris (Mr. Dinsdale).

CORRESPONDENCE WITH CBC PERTAINING TO PROGRAM "BAPTIZING"

The House resumed, from Thursday April 24, consideration of the motion of Mr. Dinsdale:

That an order of the House do issue for a copy of all correspondence with CBC pertaining to the program "Baptizing", presented on the CBC TV network on Sunday evening, January 19, 1975.

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

Mr. C. Douglas (Bruce-Grey): Mr. Speaker, first of all may I take this opportunity to commend the hon. member for Brandon-Souris (Mr. Dinsdale) for his concern and interest in this very important matter, a matter which I believe all hon. members have at one time or another mentioned or about which they have expressed some concern. I am referring to the quality and standard of drama presentations by and through our national network, the CBC.

I can say that while the hon. member and I share a number of opinions on transportation and its importance in the outlying areas of this great country, his request at this time for the production by the CBC of all the correspondence received by the corporation pertaining to the drama production entitled "Baptizing" presented on the CBC TV network on Sunday, January 19, 1975, is one which, I am afraid, I do not support. I do not doubt for a moment the hon. member's sincerity in his approach to the subject, but I have serious doubts and reservations about the outcome were such a practice allowed at this time.

If there is one area of life today about which I am deeply concerned it is the individual freedom that we enjoy in this country and the protection of our freedom of speech, of thought, of action, of movement and of worship. I am deeply concerned that if this motion is adopted, it might prove to be an invasion of the privacy of the common citizen, an action that we might regret in the future.

I might say, Mr. Speaker, that had the hon. member for Brandon-Souris been seeking the tabling of a summary of the opinions that have been expressed to the CBC by all of its viewers and contained in all the correspondence received by the corporation, then I would have had no hesitation in supporting him in that demand. However, tabling in the House of all correspondence received, without the permission of the people who originated that correspondence is, to my way of thinking, an invasion of their privacy which would tend to suppress the free flow of opinion between the citizens of Canada and the corporation.

I should like to raise, also, the question of whether such a move would indeed be advisable from the standpoint of the private broadcasters who are part of the national network as affiliates of the CBC. I know for a fact that in our own area in western Ontario—and I know this from first-hand knowledge—a great deal of communication takes place between the viewer and the network affiliates. In other words, private stations at the end of the CBC network provide the closest link between private citizens and the corporation.

I am sure that if members of the House were working in any of these establishments on programs of a varying nature, they would know by the telephone calls that are received, not only at the station but in numerous control rooms of the various affiliate stations, that the viewing public across Canada is taking this opportunity to let its views be known to the affiliate. It would seem to me that if we are going to take a serious look at the situation, in other words get all the facts as to what the people thought of the program in question, we would have to go right down to the affiliate stations and get the full story from them.

I believe, also, that the hon. member for Maisonneuve-Rosemont (Mr. Joyal) made an extremely important observation, to be found at page 5177 of *Hansard* of April 24, 1975, when he pointed out the criteria to be applied for exemption from production of papers. He gave the following reasons: first, the papers are voluminous and, second, they would require inordinate length of time and cost to prepare. It seems to me that this reason alone is sufficient for Mr. Speaker to deny the request for correspondence to be placed before the House. Having worked in one of the network private affiliates, I can assure the House that literally volumes of correspondence are received at the private end of the corporate network on the subject of a controversial program such as the one we are discussing now.

However, my chief objection relates to the harmful effects that such action might have in the future. Where do we stop? I know that this motion is to apply to one instance only, but to my way of thinking it would be the thin edge of the wedge and once the precedent is set, the door can easily be opened not only in the case of the network but, I submit, in the case of private stations as well. I believe that this could get us into great difficulties. While I certainly do not condone immoral or indecent presentations no matter where they take place, I believe that the House has a responsibility to make sure that its views are made known to the corporation through the Standing Committee on Broadcasting, Films and Assistance to the Arts as well as right here in this chamber. I do not believe that its authority should necessarily extend into areas of private communications between the corporation and its individual viewers.

Let me illustrate, if I may. If I were investing money in a company—and that is what we are doing in support of the CBC when we invest money of the people of Canada in one of the largest companies in the world—and if I did not have adequate expertise to run it myself, I would hire the most expert people I could find and let them get on with the job. If I were not happy with the job they were doing, I would let them know about it, which is the case in this particular instance when the displeasure of many members of the House is expressed, and also at the meetings of the broadcasting committee when it is voiced forcefully. But I do not think I would place any restrictions on a company that I owned which would burden it with regulations and demands that would not have to be met by its competitors, which I feel is what this motion would do to the corporation because there is no way in which the House could demand that the CTV network or Global television produce correspondence from their viewers.

I would also like to point out that in this instance we are dealing with a matter which requires flexibility. In reality the quality of a program is a matter of opinion, a question of cultural taste and morality which is an individual personal matter. I am sure we can agree that it is almost impossible to find two people in agreement on a subject such as this. I am sure that a great number of negative opinions were expressed to the CBC on the subject of this particular program. I am equally sure that a great number of opinions were not expressed, whether they were positive opinions or negative opinions. I am sure that hon. members realize that possibly only one person in ten will take the time, pick up a pen and take the effort necessary to make his opinions known, whether it be to the CBC, Eaton's, Simpson's or any other corporate body.

● (1710)

Even if we did have all these communications tabled, we might or might not have a precise over-all view of what the national opinion would be on that particular program. As hon. members know, the CBC—and other members of this House have put forth supporting views—has said that it was the largest audience ever assembled for a program of that kind. It was also submitted to this House that the rating for the program ran about 70 per cent, or perhaps 50 per cent or better in its favour. We can all argue that that is what the CBC says, but the fact remains that those statistics are available and I do not see that even tabling all the correspondence would give us exactly what we are looking for.

I have a great deal of affection and admiration for our democratic representation formula. I honestly believe that the best outlook for public opinion in the world today is

provided each day right here in the House of Commons by the representatives who sit in this green chamber from all parts of our nation. I am certain that the CBC has been made fully aware of the concern expressed by the people of Canada to us as their elected representives. To my way of thinking, the most effective letter any Canadian can write is not to the CBC, the CTV or any other corporate or business enterprise, but to Ottawa to his elected member.

I am sure that if the hon. member for Brandon-Souris would reflect for just a moment, he would find that it does not take much stretching of the imagination to believe that there could appear in this House in the future a motion which would request the tabling of all private members' correspondence, that which each of us receives every day from the citizens we represent. It is not inconceivable that such a thing could happen, and I would like to assure the hon. member that I would oppose such a motion then for the same reasons that I oppose this motion now. It would be then, as it is now, an intrusion into a person's privacy.

Mr. John Roberts (St. Paul's): Mr. Speaker, I would not like you or the hon. member for Brandon-Souris (Mr. Dinsdale) to think that during my remarks I would say anything disrespectful of him or attack his sincerity or conviction in bringing this matter before the House. He is one of its most distinguished members. All of us, on all sides, admire his enthusiasm, devotion and integrity. It was impossible not to sympathize with him as he recounted his distress at watching this program "Baptizing". It was obviously an anguishing, agonizing and almost traumatic experience for him. It was impossible not to sympathize. But I was puzzled. It seems to me that some fancy, smooth-talker from Sam Slick territory must have arrived in Brandon and sold a whole parcel of television sets which had no "off" button, because there should have been a handy remedy available for him to avoid this distressing experience. He could have placed his hands firmly on the arms of his chair, stood up, taken a few paces, pushed the button and turned the program off.

Mr. Baker (Grenville-Carleton): Who would turn the CBC off?

Mr. Roberts: The hon. member did not turn it off. He could have read a book or perhaps watched alternative programming. It conjures up a rather strange picture in one's mind to visualize the hon. member for Brandon-Souris turning on the set with that tingling anticipation he usually has when he is about to see a CBC program. He watches the program for a while and says to himself that he is not sure he will like it. Does he turn it off? No, he keeps on watching. He watches a little longer and concludes that he really does not like it. Does he get up and turn it off? No, he keeps on watching. He watches a little longer and thinks that it is very distressing and unpleasant and that he dislikes it intensely. Does he turn it off? No, he keeps watching. Finally, he thinks that the program he is watching is revolting and disgusting. He wonders what to do. Does he turn if off? No, he decides to complain to the House of Commons.

The remedy was in his hands. No one forced him, and no one forces people who feel as he does, to watch this kind of program. So what is he complaining about? He is not complaining that this program was imposed upon him. He wants to make sure that his values and standards are imposed upon other people. If one reads his remarks, this is his intention. He says that it is wrong to communicate this "distortion of the essential nature of human behaviour" to the Canadian public, which implies that he knows what is the essential nature of human behaviour, a subject which has been speculated upon without conclusion for well over 2,500 years. He knows what essential human nature is, and he doesn't think what he considers to be a distortion of it should be seen on television. He does not feel that what he calls the disintegration of society should be seen on television. One man's disintegration is another man's reformation, a renewal if you like. He does not think the program should include what he believes to be "blasphemy, obscenities, violence and situations at odds with traditional values of Canadian society."

I should not complain that a Conservative believes in protecting the traditional values of Canadian society, but I do suggest that not simply and only the traditional values of Canadian society should be expressed through television programming in this country. It is not a question of values the hon. member does not like being imposed on him; he is concerned with imposing a set of values upon others who may or may not share them. In the case of the particular program he is complaining about, it appears that from the letter and telephone response a very great majority of listeners felt differently about the program than he did.

I object to this kind of splendid assurance that the hon. member for Brandon-Souris or, for that matter me, or any member of this House, is competent to decide what values and moral standards the Canadian public should watch on television. Once we start down that slope, where do we stop? What are we to judge out of court? What sacred cow are we going to establish? Can we watch Elmer Gantry which some people may consider ridicules certain aspects of religion? Shall we rule out Mary, Queen of Scots because we do not like the portrayal of John Knox? Shall we rule out Tartuffe because we do not like attacks on sanctimony? Shall we rule out the Devils of Loudon because it holds the inquisition up to disrepute? Shall we rule out the Merchant of Venice because people do not like the characterization of Jews? Where do we stop once we decide that television programming in Canada should represent the views of the hon. member for Brandon-Souris, or of me, or of any particular member in this House?

Mr. Baldwin: How about *Reader's Digest* and *Time*?

Mr. Roberts: The hon. member for Brandon-Souris stands for traditional values. I think most of us in this House stand for a tolerant and liberal society. There are not many members of this parliament who would want to act as censors for the arts in this country.

What of accountability to parliament? That was the question the hon. member said he was concerned with. There is an accountability for over-all direction of the programming of Radio Canada. I think the hon. member for St. John's East (Mr. McGrath) properly raised questions in relation to policy concerning advertising related to children's programs on radio. I feel that over-all concerns about CBC programming ought to be raised, but that

is very different from the kind of nickel and dime involvement in specific details of programming which the hon. member for Brandon-Souris obviously favours. What should govern the basic principle behind programming policy is not, I suggest, just the taste of the mass, is not just the taste of the minority, is not the taste of the avant garde, and is certainly not the taste of the righteous. It seems to me that the CBC should attempt to present a variety of programming so that a variety of Canadians can find something on the CBC which is of interest to them.

● (1720)

The cost may be that once in a while a member of the House of Commons, or some of his friends, may be outraged at one or another program. On occasion even I may be outraged about a program. But there is a greater benefit in making sure that programming gives a choice to a large number of Canadians, whatever their disposition, so that most can find something which will interest, stimulate and entertain them.

The role of the CBC is exactly that characterized by the hon. member in a felicitous phrase. Its role is that of "chartered liberty". I point out that it was parliament which, in its wisdom, decided to establish the CBC not as a department completely under the responsibility of parliament but as a public corporation to some extent separated from the probings of parliament so that parliament would not delve into day to day details of programming and administration. It was thought—wisely, it seems to me—that a radio and television communications system should not be subject to the kind of influence or control which politicians might wish to bring to bear in the consideration of specific details. If we interfere in artistic policy, if we interfere in the details of program content, what is to stop our interfering with programs which present news, commentary or other aspects?

It is the House of Commons which decided that the CBC should have chartered liberty and that there are areas in which the House would not interfere. We were to keep our hands off the day to day administration of the corporation, the over-all direction of programming, but we could attempt to give advice and counsel. That principle is dangerously contravened by the kind of approach represented by the motion presented by the hon. member for Brandon-Souris. He would attempt to delve into administrative details which surround the presentation of the specific program about which he is concerned. That is an attempt which this House should resist.

Mr. Jim Fleming (York West): Mr. Speaker, I will be brief.

Some hon. Members: Hear, hear!

Mr. Fleming: I am glad hon. members opposite approve of brevity on my side of the House. Unfortunately, brevity of remarks on the other side is somewhat rare. To comment on this matter, this morning, as a member of the Standing Committee on Broadcasting, Films and Assistance to the Arts, I met at a general meeting the president of the CBC who appeared as a witness before the committee, and I took that opportunity to question him about this matter. I thought, since I wanted to participate in the present debate before the House, that he might shed some light on the matter.

I find, when dealing with complaints of constituents and other kinds of problems, that it is best sometimes to take some of the earlier letters, block out or erase names and addresses and forward these letters when answering later letters of inquiry. I asked the president of the CBC this morning just why is he not willing to provide the information asked for now. He insisted that the problem really boiled down to a matter of principle, that people who had written in and signed their letters, had written in complete confidence, and that they have the right and the privilege to have their correspondence kept confidential; further, you could only turn over those letters to members of parliament or make them public if you had the permission of the persons who had written in and criticized.

I asked if it would not be possible to block out the name and address and particulars of the person who sent the letter because some people are afraid of reprisals if their names are connected with criticisms of radio or television programs. Revealing the names of these people might hurt their ability to earn a living or might harm their well-being or particular situation in a community. This is quite possible. For instance, people employed by a large corporation might suffer if it became known that they are critical of certain aspects of programming. If a letter is read in the House of Commons, it becomes public. I wonder how my constituents would feel if I were to say to them, "Everything you write to me with your signature on it I will circulate publicly." So I do not scoff at Mr. Picard's position.

On the other hand, I think members of parliament have the right to know what kind of criticism is being levelled at the CBC on any particular program. The president of the CBC indicated this morning that he is entirely willing to present, in summary form, the different points made and how many times they were made. I think he would go so far as to give some idea of how many complaints come from each region. I think that would answer a major part of the demand made by the hon. member's motion.

I think we all respect the way in which the CBC ought to be dealt with. It is indirectly responsible to parliament. The fact remains that if, after each drama, after each presentation, we call the producer of the show before us, if we want to find out about every phone call, about every discussion, about what every person said to the cameraman, to the co-producer and to his friends, we shall be intimidating. That is the kind of intimidation we do not want if the state-owned facility is to remain independent in thinking and express itself. We have the power to legislate. If someone is not doing is job, that person can be replaced. If someone is not carrying out his responsibilities properly then we, since we control the CBC, can see to it that the person is replaced. We can make changes short of passing legislation.

That is all I want to say, except this: this morning the president of the CBC indicated that if the hon. member wants general information, wants to know how many criticisms of each type were levelled at the corporation, that information is available. It is the names of the individuals which the president wishes to withhold. The

privilege of privacy is a privilege and right which all Canadians and members of this House ought to revere.

Some hon. Members: Question.

The Acting Speaker (Mr. Penner): I draw to the attention of hon. members that if the mover of the motion, the hon. member for Brandon-Souris (Mr. Dinsdale), speaks at this time, he will close the debate. Is that agreed?

Some hon. Members: Agreed.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I think most of us have heard it said that all politicians have in them some thing of the ham actor. Certainly, as I listened to some contributions in this debate I concluded that in this House there is evidence of a great deal of frustrated dramatic artistry. It will be interesting to see, when the TV camera invades this chamber, how we shall be portrayed in glorious technicolour.

I am afraid the debate has digressed from the subject matter before the House. What precipitated the debate was the notice of motion asking that an order of the House do issue for all correspondence with the CBC pertaining to the program "Baptizing." We then heard learned dissertations on the subject of freedom. The hon. member for St. Paul's (Mr. Roberts) embarked on this theme at some length this afternoon. Incidentally, I notice that the phrase "chartered libertine" which I used, was printed in *Hansard* as "chartered liberty". The actual phrase I used, and which should be corrected in the revised version of *Hansard*, is "chartered libertine". The definition of libertine is one who is licentious or allowed to do as he pleases.

While we are discussing the invasion of privacy, individual, personal rights and the tabling of correspondence, I suggest that one of the more popular types of program on radio, and this is being heard increasingly in Canada, is known as the open line program. Many open line programs depend almost exclusively on correspondence. The expressions of opinion on topics of the day are read over the air freely and openly. If we are going to get into the area of placing a special restriction on this sort of correspondence, it will severely restrict the operations of the electronic media, which for hour after hour, expose public opinion. I certainly would not expect the CBC to table letters marked personal and confidential. I think the argument put forward by several members is quite a spurious argument in this regard.

● (1730)

It has been suggested that I, as a free citizen, have a right to turn off the program. I must say that is exactly what I did. There had been a considerable amount of publicity preceding the presentation of the performances. I believe "Baptizing" was the first program in the series.

In light of the considerable publicity put out by the CBC, I waited with some anticipation for the first presentation. I am interested in good drama. Unfortunately, I was considerably disappointed and I turned it off. A group of young people came to me and suggested that I make a protest. I thought that was fascinating indeed. They described what had actually gone on.

[Mr. Fleming.]

Most of us in this House of Commons are middle aged. Recently, Frank Capra, a distinguished Hollywood producer, was interviewed by Vernon Scott. The interview was headed "Middle-aged get jollies from violence". I quote from this interview:

> Frank Capra, winner of three Oscars for nonviolent movies, said today it is middle-aged people who get their jollies from sex and violence, not young folk.

If we were really catering to the needs of young folk through the electronic media today, we would be programming at a far different level.

I notice Your Honour is about to flag me down. May I just make one more point. The CBC is funded by very generous amounts of money from the taxpayers of Canada. In many respects it does an outstanding job. However, I contend it is not the responsibility and function of the CBC to experiment at the taxpayers' expense with off-beat, off-Broadway types of productions you would see in the sleazy parts of New York and expose this sort of production, according to the statistics given to us, to three million people. That is certainly not a function of the CBC.

I hope the House will give its approval to the tabling of these letters so we can actually see how the people of Canada feel about these matters. I took this to the president of the CBC in a personal letter. He replied that he had received all these wonderful letters in support of the program. If that is true I would like to see how the evidence shapes up in the actual tabling of these letters.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the motion of the hon. member for Brandon-Souris?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Penner): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Penner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Penner): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Penner): Call in the members.

The House divided on the motion (Mr. Dinsdale) which was negatived on the following division?

(*Division No. 50*)

YEAS

Messrs.

Allard
Andres (Lincoln)
Baker (Grenville-Carleton)
Baldwin
Benjamin
Brisco
Cadieu
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Forrestall
Fortin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hnatyshyn
Horner
Hurlburt
Jarvis
Johnston
Kempling
Knowles (Winnipeg North Centre)
Lawrence
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Malone
Marshall
Masniuk
Mazankowski
McCain
McGrath
McKenzie
McKinley
Muir
O'Sullivan
Patterson
Peters
Roche
Rondeau
Saltsman
Schellenberger
Schumacher
Scott
Stanfield
Stevens
Stewart (Marquette)
Towers
Wise
Woolliams—56.

NAYS

Messrs.

Abbott
Allmand
Anderson
Appolloni (Mrs.)
Baker (Gander-Twillingate)
Basford
Béchard
Blais
Blaker
Boulanger
Breau
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caron
Chrétien
Collenette
Comtois
Cullen
Cyr
Danson
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Ethier
Faulkner
Fleming
Flynn
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Gray
Guay (Lévis)
Herbert
Isabelle
Jamieson
Kaplan
Lachance
Lajoie
Lang
Langlois
Lapointe
Leblanc (Laurier)
Lessard
Loiselle (Chambly)
Lumley
MacDonald (Cardigan)
MacEachen
MacFarlane
MacGuigan
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Morin (Mrs.)
Munro (Hamilton East)
Pearsall
Pelletier (Hochelaga)
Penner
Philbrook
Pinard
Portelance
Raines
Reid
Richardson
Roberts
Robinson
Rodriguez
Rooney
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stanbury
Stewart (Cochrane)
Symes
Tessier
Turner (London East)
Watson
Whelan
Yanakis
Young—94.

● (1800)

Mr. Speaker: The time allotted for private members' hour having expired, I do now leave the chair until eight o'clock this evening.

At 6.06 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT AND CERTAIN ACTS RELATED TO THE SUPREME COURTS OF NEWFOUNDLAND AND PRINCE EDWARD ISLAND

AMENDMENTS TO PROVIDE FOR INCREASED SALARIES AND ADDITIONAL JUDGES

The House resumed consideration of the motion of Mr. Lang that Bill C-47, to amend the Judges Act and certain other acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not often that I have to do this, but I find that I made an error—

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): —in my remarks this afternoon.

Mr. Stanfield: Incredible.

Mr. Knowles (Winnipeg North Centre): I appreciate the interjections but I am glad I am able to make the correction in the same *Hansard* in which I made the error. I also apologize for having made the error. In giving the amounts of the salaries that the various judges now receive I made a mistake with regard to the present salaries of the county court judges. When I checked back into the record I found that my eye had caught the wrong column for the county court judges. I said that their present salary is $19,000. Actually the present salary for the chief judge of a county or district court is $27,000, and the salary for the other judges in district and county courts is $25,000.

The result of this error is that I made another one. I said therefore that the salaries they would get under this bill would represent an increase of 110 per cent in the case of the chief of the county court judges and 94 per cent in the case of the others. I am really surprised that no one picked me up on those scandalous figures, but I am happy to correct them. The fact is that the chief judge of a county court would go from $27,000 to $41,000, which is an increase of $14,000, or 51 per cent. The other judges of the county or district courts would go from $25,000 to $37,000, an increase of $12,000, or 48 per cent. One result of this is that instead of the spread between the lowest and highest paid judge remaining as it was, I find that the spread has grown from $22,000 to $28,000

To summarize these figures then, in looking at the various groups of judges to which I referred this afternoon, the situation in respect of the judges of the Supreme Court of Canada, the Federal Court of Canada, the superior courts of the provinces, both appeal and trial divisions, and the county and district courts adds up to this:

their percentage increases are 38 per cent, 41 per cent, 42 per cent, 48 per cent and 51 per cent. In actual dollars their increases are $12,000, $14,000, $15,000, $16,000 and $18,000. In the case of the two sets of judges who get the highest percentage increases of 48 per cent and 51 per cent, there is built into the bill in one case another 16 per cent and in the other another 17 per cent increase in 1976.

The point of all this is that for all that I was prepared to agree about the respect we owe judges and the things we must do to make sure they are free from economic concern, I think this bill goes too far, and in particular I think it is an insult to the country as a whole for the government to be discussing wage restraints of 12 per cent per year, or $2,400, whichever is the lesser, and at the same time to provide these kinds of increases for the judges of the various courts of this country. I believe I was completely fair when I pointed out that I was not asking for an increase of only $2,400 because there has been no increase for the judges for four years, but even four years at $2,400 is $9,600 and yet the lowest increase in terms of dollars any of the judges would get would be $12,000, and it goes on up to $18,000. I submit that in light of the economic problems we face and the appeal being made to Canadians to get together in some kind of a program that will lick inflation, this is hardly an appropriate course to follow.

I hope I made it clear this afternoon that we regard very highly the judiciary of this country. We respect those who are on the Bench in the various courts of Canada, but we feel they should be part of the rest of us in trying to cope with our economic problems today, and that they, just as some of us felt we in this House should also not do, should not seek to go beyond the kinds of restraints being suggested by the federal government at this time.

● (2010)

I suspect that my 40 minutes must be just about over and I shall not try to develop any further arguments at this time. There are things in the bill on which I would like to have commented favourably. Let me pick out just one. If I read the bill correctly —having made a mistake this afternoon, I suppose I had better put in that qualification—I believe that some of the pension provisions for widows are being made retroactive, that there are cases of widows of judges who are now on pensions of a certain amount who will get an increase under the provisions of this bill. I see the Minister of Justice (Mr. Lang) nodding his head vertically—

Mr. Rodriguez: I have also seen him nodding horizontally.

Mr. Knowles (Winnipeg North Centre): I am glad to know I am correct in that. I just hope this is a precedent that will be copied in other legislation.

If I may speak of some who may be known to members of this House, there are widows of former members of parliament who have no pension at all because their husbands left the House before there was a widows' provision. I can also think of widows in other categories, such as widows of retired civil servants, and I hope that the principle of retroactive pension increases for certain widows will be carried forward into other legislation.

[Mr. Knowles (Winnipeg North Centre).]

I gave you notice, Mr. Speaker, just before five o'clock, of an amendment that I wish to move. I indicated at that time that I copied an expert in this field, my friend and neighbour of only a seat or two away, the hon. member for Northumberland-Durham (Mr. Lawrence).

Mr. Rodriguez: An expert?

Mr. Knowles (Winnipeg North Centre): He is an expert in that he is the only member of this thirtieth parliament who has moved a reasoned amendment that has been accepted. I hope the House will treat this amendment with the seriousness with which we put it forward. We present it in the context of the economic problems facing Canada today.

I therefore move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That all the words after the word "That" be struck out, and that the following be substituted therefor:

"this House declines to give second reading to Bill C-47 because it fails to limit the salary increases contained therein to the restraint limits proposed by the government, namely that executive and professional salaries should not be increased by more than 12 per cent or $2,400 per year, whichever is the lesser".

Mr. Speaker: Order, please. Some mention has been made of the difficulty in putting forward reasoned amendments at the second reading stage. Are there any hon. members who would wish to assist the Chair before we come to a decision on this?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I just want to make two specific points about this. In the first place I would draw Your Honour's attention to the fact that this motion indicates that some restraint limits are proposed by the government. My understanding is that the government has not proposed any direct restrictions on salaries and wages. What the government has done is to make a proposal that is open to negotiation, and those negotiations are still going on. The second part of the argument based on that is that these increases are designed to cover a number of years, not just one year.

The second point I wish to make is that if one reads the amendment carefully I believe it can be interpreted as a direct negative against the whole principle of the bill, which is to provide increases for the members of the Canadian judicial system, increases which they have not had over a substantial span of years. Therefore if the hon. member wishes to make that point, it seems to me that the best way he can make it is for him and those who support that point of view to vote against the bill on second reading.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in replying to the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) may I refer first to one argument which he used, but which I think he would admit was in terms of substance rather than procedure. He argued that the increase being proposed for the judges is one that covers several years, not just one year. I asserted that in the substantial part of my speech, and pointed out that I was asking for a comparison to be made for four years at $2,400 and the amounts that are in the bill.

However, in terms of procedure I think that it is perhaps important that I read the amendment that was moved on February 6 by the hon. member for Northumberland-Durham (Mr. Lawrence) before I read it, may I point out that two days prior to that the hon. member for Edmonton West (Mr. Lambert) had moved an amendment which sought to express an opinion both ways. It said that the House was not opposed to the bill in its entirety but it did not want to vote for it because it did not have certain cuts in it. It was ruled out of order on the grounds that one could not have it both ways.

My friend, the hon. member for Northumberland-Durham, therefore came back on February 6, as recorded in *Hansard* at page 2977, and moved, seconded by the hon. member for Calgary South (Mr. Bawden):

That all the words after "That" be struck out and the following substituted therefor:

"This House declines to give second reading to Bill C-49 because it fails to provide for a further 5 per cent reduction in personal income tax in 1975 and subsequent taxation years despite unprecedented government revenues and the resulting overtaxation by the government."

I point out that that was a case of the House being asked to decline to proceed with the bill. In my amendment I propose precisely the same thing. The hon. member for Kenora-Rainy River (Mr. Reid) suggests that I could achieve my object by voting against the bill on second reading. The hon. member for Northumberland-Durham could have achieved his object by voting against the bill on second reading. The hon. member for Kenora-Rainy River suggests that there are no government proposals. Well, that is a debatable point, but I suggest that no exception was taken to the references made by the hon. member for Northumberland-Durham to unprecedented government revenues and resulting overtaxation by the government. The fact that the government did not agree that it is indulging in overtaxation was not advanced as a procedural argument.

When one puts this in the context of the citations on reasoned amendments, notably citation 382 of Beauchesne's fourth edition, which most of us involved in procedural affairs know by heart, which speaks of a resolution declaratory of some principle opposed to a bill, one finds that this amendment states opposition to the bill—it does not ask for it both ways—and it gives reasons for that opposition, our reason being that it fails to limit the salary increases provided therein to a specific set of principles, namely, that the increases should not be more than 12 per cent a year or $2,400 a year, whichever is the lesser. Because my amendment is in accordance with citation 382, because it is in the same form as the only reasoned amendment that has been accepted in this parliament, I hope that it will also be accepted by Your Honour.

Mr. Lang: Mr. Speaker, I should just like to draw Your Honour's attention to the fact that the very thing which is sought in the amendment could be attempted in the committee and that it is in fact a specific item in relation to a specific matter. I believe the hon. member for Winnipeg North Centre (Mr. Knowles) said that he did not even argue against the proposition or the principle that some increases for judges were required, and I would have said that that was the principle involved at this point. The bill includes many other issues and elements, and I take it again that the hon. member who has moved this amendment himself approves a good number of them. He said so in regard to some of them, if not in regard to all of them.

● (2020)

Since this matter could very specifically be dealt with in the committee, it really follows exactly along the lines which the hon. member for Calgary North (Mr. Woolliams) discussed earlier in suggesting that he saw this exact distinction of favouring the principle of increases but not necessarily the specifics. It strikes me that we would be, in second reading, dealing clause by clause with every item if we allowed amendments of this sort, because clearly there could be amendments of this sort in regard to every single element and detail of every single clause, and that in itself should be good reason for falling back upon the long standing precedent that reasoned amendments are indeed very difficult to make.

Mr. Benjamin: As a non expert in this matter, Mr. Speaker, may I urge that you make your decision in terms of this being a reasoned amendment and not in terms of what I choose to believe are spurious points raised by my two colleagues on the other side of the House. The hon. member for Winnipeg North Centre (Mr. Knowles) has gone to extra lengths and effort to meet decisions of the Chair in arriving at both the wording and content of a reasoned amendment, and it seems to me that is the area upon which Your Honour has to make a decision, and not any other area of the contents of the bill.

Mr. Speaker: Order, please. If there are no others who wish to make a contribution to this very interesting procedural point, I am afraid that I will have to give the matter some thought. I suppose it would be difficult to receive guidance from hon. members at this time as to whether this stage of this bill is likely to conclude this evening.

Mr. Woolliams: Yes, it will.

Mr. Speaker: It is likely to conclude this evening, in which case it is certainly desirable, if not absolutely essential, that the period of reservation of the decision not be very long. In any case I would like some time to think about it. I will return to the chair perhaps right after the next speaker, in the hope that I can give a decision.

Mr. James A. McGrath (St. John's East): Mr. Speaker, it is not my intention to enter into arguments regarding the principle of the bill. These arguments have been very clearly, concisely, and learnedly put forward by my colleague, the hon. member for Calgary North (Mr. Woolliams). There is a part of this bill which has obviously escaped the attention of the hon. member for Winnipeg North Centre (Mr. Knowles), and that deals with the provision of salaries which would provide for the appointment of judges for the newly created appellate courts of Prince Edward Island and Newfoundland. For that reason I do hope that Your Honour will take that matter into consideration before the ruling of the Chair is made.

On April 30 I asked the Minister of Justice (Mr. Lang) a question—it can be found at page 5332 of *Hansard*—with respect to the vacancy in the Supreme Court of Newfound-

land which was created by the death of a distinguished member of that court in October of last year. My question to the minister was when would that vacancy be filled, and of course the minister replied soon. He went on to explain the reason for the delay, and I quote from *Hansard*:

> Mr. Speaker, part of the delay relates to the reorganization of the courts and the impact this might have upon appointments. However, as usual the search for well qualified persons to receive these appointments is a significant matter and not one taken lightly and adds to the over-all delay.

I understand, although I am not a member of the bar, that the judicial year begins in October and ends in June. Certainly that applies in my province. Consequently, this means that the vacancy in the Supreme Court of Newfoundland has now existed for a full year, certainly for a full judicial year, and probably for a full calendar year when we consider that whenever the minister does get around to making this appointment, it will take the newly appointed judge at least a month or two months to readjust his life in order to be able to accept the position on the Bench. That may not seem like a very serious matter on the surface, but it is a very serious matter, and that is why I feel constrained to intervene in this debate.

Indeed I feel it my solemn duty to intervene in this debate because the seriousness of this matter results from this vacancy. The Newfoundland supreme court, by virtue of the fact that there is no court of appeal, cannot hear appeals. There are only three members left of the four member court, and consequently they cannot hear appeals against the judgment of one of its members, and also, because of the vacancy the court is overworked, and judgments are delayed significantly. We consider that to be a very serious matter.

I understand, and this is a matter of public record, that the law society of Newfoundland has communicated its feelings on this matter to the minister, but now we are being asked to vote for a bill to create a new appellate court for the province of Newfoundland before an appointment is made to fill a vacancy which has existed in the presently constituted court for almost eight months. In this bill we are being asked to provide for salaries for the three new judges who comprise the appellate court while the vacancy in the trial court, which also serves now as the appellate court, still exists.

As one of the representatives of the province of Newfoundland in this House I deem it to be an insult to the prestige of the Law Society of Newfoundland for the Minister of Justice to suggest in this House that he is having difficulty finding a suitable person to fill that vacancy.

Mr. Stanfield: Shame, shame!

Mr. McGrath: I would like to hear the minister's definition of suitable.

Mr. Lang: The best.

Mr. McGrath: I listened very carefully when in his opening statement the minister said that he considers the appointment of judges to be his most important responsibility, and I agree that it is a tremendous responsibility. That is why I find it regrettable that the minister, by his failure to act in filling this vacancy, leaves himself open to the charge that the delay in filling this vacancy is because the minister has confined his choice to members of the bar who are well known supporters of the Liberal Party in Newfoundland.

Mr. Stanfield: Oh, shame!

Mr. McGrath: That, I submit, makes a total farce of this whole so-called consultative process, which the minister went to great pains to tell us about this afternoon.

I would ask the minister, and I will be repeating these questions when the bill gets to committee, has he within the interim of the past seven months or so sought the advice of the attorney general of the province of Newfoundland, the minister of justice of Newfoundland? Has the minister sought the advice of the Law Society of Newfoundland? Did he ask the benchers of the Law Society of Newfoundland to submit names? Did the minister seek the advice of the three remaining judges of the Supreme Court of Newfoundland? Did he ask them to submit names? Did the minister bother to consult with senior members of the bar of Newfoundland on an individual basis to get their advice and recommendations? Or did he, as I suspect and have already submitted, confine his consultations to the Liberal Party of Newfoundland? This is not the first time that has happened in the province.

● (2030)

This is not the first time the government has dragged its heels in filling a vacancy in Newfoundland. The last vacancy lasted for almost seven months. There was a seventh-month delay in filling the last vacancy which occurred when a judge retired. The delay was that long, even though the judge who retired gave the minister three month's notice of his intention to retire so that the minister would have ample time to find a replacement. That judge knew how difficult is the work of the judges, how overworked judges are, and how great is the case load of the court. Having consulted with distinguished members of the Newfoundland bar, I know that judges are overworked. They are so overworked that they hardly have time to research the law to write their judgments. This, of course, is intolerable. It is a situation which no member of the House representing a Newfoundland constituency should tolerate.

Where are the Newfoundland members who support the Minister of Justice (Mr. Lang)? Where is the Minister of Regional Economic Expansion (Mr. Jamieson)? Surely he has a responsibility here. Where is the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Rompkey)? What does he have to say about this? What do the other government supporters from Newfoundland have to say? How can they tolerate this situation? It is not as if they did not know about it. It has been referred to in editorials in St. John's daily papers. It has been referred to in news stories. It has been referred in correspondence between the minister and the Law Society of Newfoundland. This is a most serious situation, yet we are called on to support a bill which will create additional judgeships by virtue of creating extra salaries while this vacancy in Newfoundland is allowed to exist. I submit

that this is unfair. The minister is being grossly unfair to Newfoundland.

Let me tell the House about one case I know of concerning the premier of the province. He launched a libel action against an individual and television station in the province. The case has gone to appeal on a point of law and the Premier of Newfoundland has been waiting since March, 1974, for a judgment. Of course, he will not obtain the judgment until the minister appoints a successor judge to fill the existing vacancy.

I am not a member of the bar, but I suggest to the minister that the administration of justice is the responsibility of all members of this House. I further say that justice delayed is justice denied, and justice is being denied to the people of Newfoundland because there are delays in the hearing of appeals and in the handing down of judgments.

I submit the minister has an obligation to tell at least the Newfoundland members of this House when he will fill this vacancy. I hope we will hear an undertaking from the minister before this bill is passed. I, for one, intend to press him for such an undertaking before we allow this bill to leave committee.

Mr. Deputy Speaker: It seems that the House is ready for the question. Mr. Speaker, who is to consider the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles), who has not returned to the House.

Mr. Reid: On a point of order, Mr. Speaker, perhaps since Mr. Speaker has not yet returned with his decision and the present debate seems to have concluded, we could hear the opening speech on the next item of business. The President of the Privy Council (Mr. Sharp) is in the House. Perhaps if he has finished speaking and Mr. Speaker comes back, we could interrupt the proceedings, hear his decision, and conclude consideration of the present item of business.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I make a few comments on this bill which is to affect the reorganization of the Supreme Court of Prince Edward Island. I understand that the proposal in this bill which applies to Prince Edward Island meets with the general approval of the law society and legal profession of my province. The arrangement contemplated will be an improvement because, as I understand it, it is an effort to spread the work load between judges of the provincial supreme court and judges of the county court. The net effect will be that the total number of judges in Prince Edward Island will stay the same, but they will all sit in one court, which is an improvement over the present arrangement.

At present there is a vacancy in Prince Edward Island. We need an additional judge. Although the existing vacancy is in the county court, I hope once this bill passes that the effect will be that the provincial supreme court will be immediately brought up to full strength and that we shall see no more vacancies left unfilled for a long time. I presume that the judges now sitting in the county court will be transferred to the newly constituted supreme court, but I have no assurance that that is the case. If it is, some of our judges will be placed in a higher position than they now occupy and, as well, they will feel the benefit of the increase in their general rates of pay.

I hope the Minister of Justice (Mr. Lang) will act promptly to fill the vacancy which exists in our county court, and which will exist in the Supreme Court of Prince Edward Island once this bill passes.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I did not intend to speak on this bill. However, having been here since 1972, I cannot help observing that there seems to be some difference in the way this parliament sets about determining wages. For example, I saw how this House settled the recent railroad strike. I saw the kind of settlement that was meted out to our working class people, so that our railroad workers would go back on the rails in what was called an essential service. I heard members on the government and on the Conservative sides say that parliament is not a bargaining group, that we do not bargain, do not negotiate, and that we have to get workers back to work, period. I saw the niggardly amounts handed out in order to get the workers back on the job. I saw how much was awarded when we legislated them back to the rails. I think we gave them something like 12 per cent, and we considered ourselves pretty generous in awarding them that much. We wanted them to go back to work in an essential service.

I have also seen how the members of parliament deal with their own wages. There was certainly nothing niggardly about the way they dealt with their own wages.

● (2040)

We again see this parliament setting a wage for an elitist group in the Canadian society. I should say to my friends that with the number of lawyers in this House there may be some kind of conflict of interest. They are setting the wages so that when they are defeated in the House, they can get appointed to the Bench. There seems to be a bit of featherbedding. When we deal with our own kind, we are pretty generous. There is suddenly no talk about restraint or wage freezes. During the last election the Conservatives ran around the country talking about wage freezes.

Mr. Woolliams: Mr. Speaker, I would like to ask the hon. member a question. One of the most intellectual governments of all time, and no doubt it is intellectual, allegedly anyway, is the government of British Columbia. I would like to ask the hon. member how much it increased salaries for the members of the legislature and for what we called magistrates and it now calls provincial judges? The provincial judges under the government of British Columbia are the highest paid in Canada. They make more money than some of the judges the hon. member is talking about.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I do not belong to the provincial legislature of British Columbia.

Mr. Lawrence: Too bad.

Mr. Rodriguez: I was elected to the Parliament of Canada. However, Dave Barrett, the premier of British Columiba, did not run around the country during his election campaign talking about wage freezes. The New Democratic Party did not talk about wage freezes in the last election. I heard the right hon. member for Prince Albert (Mr. Diefenbaker) put the Conservative members in their place. Boy, did he ever!

The hon. member for Calgary North (Mr. Woolliams) is a pretty elitist lawyer. He represents one element in this country, the elitist establishment class. He is building a little nest egg for the future.

Mr. Woolliams: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. Rather than let hon. members engage in dialogue, we should stay on the track of the bill and carry it on to completion.

Mr. Rodriguez: When this House decides wages for its own, it throws restraint out the window. There is no talk about wage controls. One of the arguments put forward is that lawyers in private practice make $100,000 or $150,000 a year. That is only because they are skinning the public.

Mr. Benjamin: Nationalize them.

Mr. Rodriguez: It is only because they have been taking the Canadian public to the cleaners. I have seen the bills that have gone to the finance committee. They guarantee lawyers a job for the rest of their lives. This bill gives them a guaranteed annual income for their retirement years.

The wage proposals in this bill for judges are absolutely inflationary. When the trade unions ask for 16 per cent of 20 per cent, they are told their demands are inflationary. There is nothing more inflationary than the proposals in Bill C-47. It is a travesty on the system.

Hon. members should put their heads in the sand when they talk about wage restraints. Wage restraints start with the leaders, not the followers. It is about time we started restraining spending. The Tories are great ones to talk about restraining spending. When they talk about spending on themselves, or on those in their class, there is no restraint. However, when it comes to the workers on this Hill who do the most menial jobs, they receive poverty wages. I am opposed to this.

I will support the amendment presented by the hon. member for Winnipeg North Centre (Mr. Knowles). It is a very reasonable proposal. It is certainly in line with the kind of role the government is trying to play with regard to the economic situation in this country. I appreciate having had the opportunity to make these remarks this evening.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) has proposed an amendment which, as he said in his argument on the procedural point, must, in order to qualify as a reasoned amendment at this stage, add in opposition to the progress of the bill a declaration of some principle contrary to the provisions of the bill or to the principle of the bill.

[Mr. Lawrence.]

The hon. member for Winnipeg North Centre made reference to a previous ruling by the Chair. I would refer him as well to a ruling quoted by the Chair on the same subject, both by the Speaker of the day and reported in the same volume of Votes and Proceedings, that he cited in referring to the ruling of the Deputy Speaker. There is an extensive discussion about the practice in the British parliament which has been taken on here of allowing at the second reading stage, on an amendment at second reading, a declaration to be added to the motion. It discusses the limits that should be put upon such a declaration.

That declaration must clearly have two conditions. First, it must be a declaration of principle. Second, it must be a declaration of principle opposed to the principle of the bill.

Since it would appear at first examination that talking in terms of a certain specific percentage or certain specific dollar increase for judges in a year would scarcely be regarded as a matter of principle, but rather what is a matter of degree, application, or extent of the increase which is contained in the bill, one would have to determine how that becomes a principle as opposed to a specific figure.

It is suggested in the argument that it has become a principle because it is enshrined in some guidelines or proposals put forward by the government. It is not for the Chair to question whether in fact such guidelines or proposals have indeed been put forward. Even if they had, would that make the figures change from being simply figures into being a principle or statement of principle? I rather think it would be most difficult to accept that proposition. I therefore have the greatest difficulty and reservation in finding that the figures of 12 per cent or $2,400 a year have changed from being simply figures, or degrees of increases, into becoming principle.

Second, even if I were to accept the fact, which I do not, that that was a statement of principle of some sort, I would have the greatest difficulty in finding that as being a principle which is totally opposed to the principle of the bill if I should accept, as I think I should, that the basic principle or the primary principle of the bill is that of increasing judges' salaries. In other words, aside entirely from the difficulty of accepting 12 per cent or $2,400 as a statement of principle as opposed to figures, what that says is that the principle of the bill is satisfactory if it were to go only to 12 per cent or $2,400, but the principle of the bill is not satisfactory if it goes beyond that figure.

I would have to find it is not a statement of opposition but of a principle if it is a principle opposed to the principle of the bill, but only opposing the bill conditionally or up to a certain point.

Accordingly, with the deepest of regret, I cannot enlarge or swell the ranks of the members who have had success in the acceptance, at least until this moment, of reasoned second reading amendments and I have to refect the amendment as not being procedurally acceptable.

Is the House ready for the question?

Some hon. Members: Question.

● (2050)

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

Some hon. Members: Yes.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Speaker: Those in favour, please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed, please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Lang) which was agreed to on the following division:

(*Division No. 51*)

YEAS

Messrs.

Abbott	Fleming	Marshall
Allard	Flynn	Martin
Allmand	Foster	McCain
Andres (Lincoln)	Gauthier (Ottawa-Vanier)	McGrath
Appolloni (Mrs.)	Gendron	McIsaac
Baker (Gander-Twillingate)	Gillespie	McKinley
Baker (Grenville-Carleton)	Goodale	McRae
Baldwin	Gray	Milne
Béchard	Guay (Lévis)	Morin (Mrs.)
Blais	Hamilton (Qu'Appelle-Moose Mountain)	Muir
Blaker	Hamilton (Swift Current-Maple Creek)	Munro (Hamilton East)
Boulanger	Hargrave	Pearsall
Breau	Herbert	Pelletier (Hochelaga)
Caccia	Hnatyshyn	Philbrook
Cadieu	Isabelle	Pinard
Cafik	Jarvis	Raines
Campagnolo (Mrs.)	Johnston	Reid
Campbell (LaSalle-Émard-Côte Saint-Paul)	Kaplan	Richardson
Caron	Kempling	Roberts
Chrétien	Lachance	Robinson
Clark (Rocky Mountain)	Lajoie	Roche
Clarke (Vancouver Quadra)	Lang	Rooney
Collenette	Langlois	Roy (Laval)
Comtois	Laniel	Schellenberger
Crouse	Lawrence	Schumacher
Cullen	Lessard	Scott
Cyr	Loiselle (Chambly)	Sharp
Danson	Loiselle (Saint-Henri)	Smith (Saint-Jean)
Darling	Lumley	Stanfield
De Bané	MacDonald (Cardigan)	Stevens
Demers	MacEachen	Stewart (Marquette)
Dionne (Northumberland-Miramichi)	MacFarlane	Stewart (Cochrane)
Douglas (Bruce-Grey)	MacKay	Tessier
Drury	MacLean	Towers
Duclos	Marceau	Watson
Dupras	Marchand (Kamloops-Cariboo)	Whelan
Ethier		Wise
		Woolliams
		Yanakis
		Yewchuk
		Young—114.

NAYS

Messrs.

Benjamin	Firth	Peters
Dionne (Kamouraska)	Fortin	Rodriguez
Douglas (Nanaimo-Cowichan-The Islands)	Hogan	Saltsman—10.
	Knowles (Winnipeg North Centre)	

● (2130)

Mr. Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Justice and Legal Affairs.

Bill read the second time and referred to Standing Committee on Justice and Legal Affairs.

* * *

SALARIES ACT

AMENDMENT TO INCREASE SALARIES OF LIEUTENANT GOVERNORS

Hon. Mitchell Sharp (President of the Privy Council) moved that Bill C-24, to amend the Salaries Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Speaker: It is the pleasure of the House to adopt the said motion?

Some hon. Members: Carried.

Mr. Sharp: Mr. Speaker—

Some hon. Members: Filibuster.

Mr. Sharp: —the purpose of this bill is to recognize the continuing importance in our constitutional system of the functions discharged by lieutenant governors of the provinces by raising their salaries to a more appropriate level and at the same time to remove the differences that now prevail.

One of the legacies of history in connection with this ancient and honourable institution is that salaries were permitted to vary from province to province in accordance with such factors as population differences and the burdens of office arising therefrom.

In fact all provinces are equal in a constitutional sense and the functions of a lieutenant governor in one province are, for constitutional purposes, as important as those in any other province; the differences in burdens of office arising from such factors as variations in population should be recognized in other ways.

Lieutenant governors' salaries now range from a high of $20,000 in Ontario and Quebec to a low of $16,000 in Prince Edward Island.

This bill proposes that lieutenant governors' salaries in each of the ten provinces be fixed at $35,000, which appears, in the light of other responsible public functions and the salaries attached to them, to constitute reasonable remuneration, and at the same time applies the principle of uniformity to which I have already referred.

There are also federal grants and allowances provided annually in the estimates under the vote for the Governor General and lieutenant governors. For 1974-75, non-accountable allowances varying from $10,000 to $18,000 are provided for hospitality and travelling expenses within the provincial capital. There is also a fund for travelling by lieutenant governors outside the provincial capitals.

The argument for uniformity does not apply to the same degree to grants and non-accountable allowances. The salaries should be uniform because the salaries are paid in respect of the position, its functions, and the dignity of the office. The grants and allowances can reflect the differing conditions to be found in the various provinces.

Various kinds of support is also provided to lieutenant governors by the provinces. Some provinces provide a residence for the lieutenant governor; others pay the cost of rented accommodation. Lieutenant governors' staffs are provided through the provincial budgets.

While it is not my intention to engage in a dissertation on the constitution, hon. members will be aware that, within the limitations of the constitutional framework, lieutenant governors perform the same functions at the provincial level as the Governor General does at the federal level. The lieutenant governor is the Queen's representative in the province and possesses the same power with regard to provincial legislation as does the Governor General with respect to federal legislation.

In the table of precedence, lieutenant governors of the provinces rank immediately after the federal cabinet. There may be some who in a contemporary political sense might not regard this as a recommendation, but it indicates the importance of the office in our system, an importance that continues undiminished and which, in fact, the government by this bill is supporting by providing more adequate remuneration and widening the area of choice for future appointees.

Hon. members will have noted that another bill, Bill C-23 on the Order Paper, proposes a plan for superannuation of lieutenant governors which is another move in the same direction, making it possible for those of moderate means to accept appointment as lieutenant governor.

● (2140)

It is my hope and that of the government that parliament will give prompt approval to this legislation.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, if I—

Mr. Stanfield: We are recognizing your seniority tonight.

Mr. Knowles (Winnipeg North Centre): If I seem stunned and speechless for the moment, it is because I am aware of the rule which provides that the first member of the opposition replying to a minister moving a government order is not limited to 40 minutes. Since no member of the official opposition chose to take the floor, that gives me unlimited time.

[Mr. Sharp.]

Mr. Stanfield: We felt you needed it.

Mr. Muir: God forbid, Stanley.

Mr. Benjamin: You fellows can all go home.

Mr. Knowles (Winnipeg North Centre): I am waiting for an invitation to use unlimited time, which would give me 17 minutes tonight and then tomorrow morning, but the invitations do not seem to be as forthcoming as I thought, although there is one quiet voice from the other side.

There is no question but that we in this country like our system under which the head of the country and the head of the government in each province is a person above politics. We respect, not only because we are supposed to but from sincerity, the position of the Crown as represented by Her Majesty the Queen, and also the position of those who represent her as Governor General of Canada and as lieutenant governors of the provinces. We share in that respect, and we agree that the lieutenant governors as well as the Governor General should be provided with the means necessary to fulfill their functions with dignity and respect.

I think it can also be argued that the salaries these persons now receive—you will notice, Madam Speaker, that I did not say gentlemen because at least one of them is the distinguished lieutenant governor of Ontario—certainly do not seem excessive. The lieutenant governor of Quebec and the lieutenant governor of Ontario receive $20,000 per year as salary. The lieutenant governors of seven other provinces receive $18,000, and the lieutenant governor of the Province of Prince Edward Island receives $16,000.

Even as one who has been taking a pretty firm stand against increases in this time when we are supposed to be exercising restraint, I certainly could not argue against a modest increase in these salaries. Even so, it does seem to me that those who occupy these important positions should be regarded as Canadians like the rest of us and should be invited to share in the effort to exercise some restraint. When an increase from $20,000 to $35,000 for the lieutenant governors of two provinces is proposed, that is an increase of 75 per cent. I made one mistake this afternoon, but I am not making any mistakes tonight.

Mr. Baldwin: You've still got 15 minutes, Stanley.

Mr. Knowles (Winnipeg North Centre): When an increase for seven lieutenant governors from $18,000 to $35,000 is proposed, that is an increase of 94 per cent. Not bad! In the case of Prince Edward Island, that delightful place we would all like to go to, the increase is from $16,000 to $35,000, an increase of 118 per cent.

Mr. Clarke (Vancouver Quadra): That is where I would like to come from.

Mr. Knowles (Winnipeg North Centre): My hon. friend, the hon. member for Vancouver Quadra (Mr. Clarke), says that is where he would like to come from. Not many have come from there, but those are the facts. These are the

percentages involved in this bill. Even though I am not going to move another amendment or divide the House on this bill, it seems to me that it is appropriate for these words to be said. Restraint has been preached all over the place. The Minister of Finance (Mr. Turner) has a paper, the paternity of which he sometimes admits but sometimes denies, which says that Canadians should not receive an increase of more than 12 per cent or $2,400.

Mr. Sharp: Per year, Stanley.

Mr. Knowles (Winnipeg North Centre): Granted, but how many years is it since these people received a raise?

Mr. Sharp: It was in 1962 or 1963, 12 years ago.

Mr. Knowles (Winnipeg North Centre): It is true that per year they are entitled to $2,400 but those now in office have been there only a few years, and there are other increases, both in this bill and in the other bill, for expenses, so that their positions are being improved, and all told I think it is a pretty good deal for these ten Canadians. I could wish that they would be making the appeal to be part of the Canadian community generally which is accepting the fact that restraints are necessary, but I have not heard any such appeal from any of these ten persons. So I suppose they want these increases, and apparently this House is prepared to go along.

I just wonder where all this ends. Hon. members raised their own pay substantially, we raised the pay of the Senators substantially, we increased the pay of the cabinet ministers and parliamentary secretaries, and we provided for 7 per cent compounded increases starting January, 1976.

Mr. Benjamin: It ends when we get to the poor and the pensioners.

Mr. Knowles (Winnipeg North Centre): This House gave the judges a pretty good deal in the bill that was passed a few moments ago. I suppose that before long there will probably be a report from a special committee about the salaries of deputy ministers, assistant deputy ministers and those who are receiving $40,000 and $50,000, making an appeal that they have to have something to meet the cost of living. In the meantime ordinary Canadians are being told they must get along on an increase of 12 per cent per year. Pensioners are being told that all they can receive is the actual cost of living, always in arrears.

This thing is out of joint, Madam Speaker. I welcome the fact that in the previous bill there are retroactive increases in pensions to widows of judges. I welcome the fact that in this bill there are some improvements in pensions. I hope before we recess at the end of June there will be some improvements for pensioners generally, and the particular appeal I make right now is to the government. I could make it to the Minister of National Health and Welfare (Mr. Lalonde), but he does not happen to be here tonight. The appeal is that with these improvements we are making for the retirement years of lieutenant governors and the retirement years of their survivors, if they leave any, we ought to do better for ordinary spouses between 60 and 65 and not just grant a pension under a means test.

We ought to realize that the age provisions in these bills about pensions are much more generous than the age provisions generally, and I would say that in the face of all this if the government brings in a bill amending the Old Age Security Act which provides pensions for spouses between 60 and 65 only where the other spouse is over 65 and only under a means test, that will be an insult.

● (2150)

I confess that it is difficult to make the kind of speech that my hon. friend from Nickel Belt (Mr. Rodriguez) would probably make if he were not in a committee which I understand will sit to all hours. We are talking about persons for whom we have particular respect because they represent the Crown, because they represent Canada and because they represent a form of government at the head of which is someone who is above partisan politics. But I still feel that it is a strange performance we have gone through in this House in 1975. Despite all the economic trouble we are in, despite all the preaching we hear about restraint, this House seems to find it easy to grant substantial increases in the pay of members of parliament, senators, cabinet ministers, judges and lieutenant governors. I hope that at some point we will start doing something substantial, something meaningful for ordinary Canadians.

Hon. Robert L. Stanfield (Leader of the Opposition): Madam Speaker, I hope, too, that the country will start to do something about inflation. I sat in the House and listened to the hon. member for Winnipeg North Centre (Mr. Knowles)—

Mr. Benjamin: All day.

Mr. Stanfield: All day, all year—talk about restraint, but I have yet to hear the hon. gentleman give much support to any comprehensive program of restraint which has been put forward. I find myself in the position of having to deal with particular situations—members of parliament are one, judges another, and lieutenants governor still another—which have resulted from cumulative inflationary pressures bringing about increases in the cost of living in the past several years. I agree that these are particular instances. There are lots of others with which we are not dealing. A great many people of modest circumstance have been robbed, robbed of their savings.

Mr. Benjamin: And you voted for more pay for well-off people.

Mr. Stanfield: I beg your pardon?

Mr. Benjamin: You just finished voting in support of an increase for people who are already well off.

Mr. Stanfield: I will agree to the judges bill going to committee for consideration.

Mr. Benjamin: That is a tough deal for those already getting $45,000. Big deal!

Mr. Stanfield: If the hon. gentleman wants to make a speech, he should make it.

Mr. Benjamin: I will be glad to.

Mr. Stanfield: As far as the bill for lieutenant governors is concerned, I am prepared to see it go to committee. There has not been an increase since 1963. Whether the sum of $35,000 should be contemplated is another matter, but I have no hesitation in supporting sending the bill to committee. By so doing I do not pretend for one moment that we are doing a systematic job, or bringing anything like comprehensive justice to the people of Canada. Frankly I do not see any sign of determination in this House or in the country for bringing about such justice. My hon. friends to my left speak about restraint. I should like to see them support some program of restraint and express to the House what it is. I fought hard for a program of restraint, and I am still prepared to do so.

All kinds of anomalies and injustices are increasing from day to day and from month to month because of what has been going on. The longer we have rates of inflation of 8 per cent, 10 per cent or 12 per cent a year, the more the injustice will increase and the greater will be the disparity between the relatively poor and the relatively well-to-do. If inflation continues, certainly the injustice which will be inflicted on society will increase. But we will not create justice for the relatively poor and hard pressed who are suffering from inflation by taking it out on the judges or the lieutenant governors. Let the committee determine what is appropriate. We can amend the bills when they come back, for that matter.

If we are going to attack inflation, let us attack inflation; let us not just make—

Mr. Knowles (Winnipeg North Centre): Careful!

Mr. Stanfield: —gestures in the House, as my hon. friends are doing.

Mr. Les Benjamin (Regina-Lake Centre): Madam Speaker, when I made a few interjections during the remarks of the Leader of the Opposition (Mr. Stanfield) he invited me to say a few words. I said I would be glad to.

An hon. Member: By way of apology?

Mr. Benjamin: No, they are not by way of apology in any way, shape or form. I find it difficult to accept the remarks of the Leader of the Opposition about selecting or picking of judges, or selecting lieutenant governors. I remind the Leader of the Opposition, and all other members, that the ones we are selecting are already paid $19,000, $20,000, $35,000 or $45,000 a year. If we are going to have restraint it would seem to me that the people earning that kind of income should be the first ones to exercise it. They should be the ones we should select first for restraint. I do not intend to be party to raising the incomes of 100 people, 200 people, or even ten people, from $45,000 to $60,000 a year. I suggest that you do pick first on people in such categories—you start with them if you want to bring in restraint.

I do not think any of my colleagues in this House want, any more than I do, to face a $9,000, or $11,000 or $12,000 a year steelworker in Regina, or a $122 a month old age pensioner, and ask him to show restraint and not accept a larger increase than the government is suggesting, assuming he will be offered an increase. You cannot have it both ways, Madam Speaker. The hon. member for Winnipeg North Centre (Mr. Knowles) is not going through some sort of empty exercise. He has voted for restraint a number of times, more often then I have, and more often, I suspect, than any other member. He has shown leadership and set an example.

Surely it is up to members of parliament, judges, lieutenant governors and others in a similar position to set the example and lead the way when the country is in economic difficulty. Surely that is the issue. This has nothing to do with taking it out on judges or lieutenant governors, or even members of parliament. Surely the process of restraint must start somewhere. If you are going to pick on anybody, if you want to limit anybody's income, you should pick on the people who can most afford it. Surely that is where the error of our ways lies. We made a mistake in bringing in Bill C-44, and we are making another one with Bill C-47.

You do not really expect the small businessman, the wage earner or the old age pensioner to pay very much attention to us, to the Minister of Finance (Mr. Turner), or to anybody else in the months ahead when we run around talking about restraint and protecting and preserving our economy and our position, costs, and prices in the international market.

The Acting Speaker (Mrs. Morin): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—FERTILIZER—JUSTIFICATION OF PRICE INCREASES

Mr. John Wise (Elgin): Madam Speaker, I welcome the opportunity to participate in the adjournment debate on the matter of inaction on the part of the government to provide a satisfactory answer, or even any explanation as to the drastically increased prices of fertilizer. My colleagues, the hon. member for Malpeque (Mr. MacLean) and the hon. member for Perth-Wilmot (Mr. Jarvis), over the past two weeks have raised questions on the subject, but no reasonable explanation has yet been given.

The minister, when addressing the Canadian Fertilizer Institute in Ottawa on March 6, 1975, took a hard line when levelling certain warnings in the direction of the industry and its activities.

● (2200)

When questioned in the House by the hon. member for Perth-Wilmot the following day, March 7, the minister indicated that he would not be making a statement on the matter, but made some reference to the facts and figures prepared by the efficiency experts in the department. He also expressed concern about the future of food production if fertilizer were not cheaply available.

Fertilizer prices, in many cases, have doubled during the past two years. In many cases they have increased from 30 to 40 per cent from the spring of 1974 to the spring of 1975. Some examples for the record, Mr. Speaker, of commonly used varieties, f.o.b. the plant are 6-18-24 from $120 to $160, an increase of $40 a ton; 10-10-10 from $100 to $135, an increase of $35 a ton; 15-15-15 from $125 to $175, an increase of $50 a ton; ammonium nitrate from $142 to $185 a ton, an increase of $43, and anhydrous ammonia ranged around $260 a ton.

Why are there these drastic price increases, Mr. Speaker, particularly when shortages do not appear to be any problem? Dealers in my area indicate that supplies are quite adequate.

The minister stated on April 15, 1975, as reported at page 4810 of *Hansard*, and I quote:

> We have contacted all the provincial departments of agriculture and our surveys show, as they have in the past, that there will be adequate supplies. In some areas there may even be an oversupply of some varieties of fertilizer.

On March 20 I asked the minister, in view of the fact that the Canadian Fertilizer Institute would not issue a detailed report justifying the rapid increases in price, what action if any he intended to take. The minister indicated that some action had already been taken, that investigations were being conducted under the Combines Investigation Act.

The following day, March 21, the minister took the position that, in the absence of legislation to hold down or roll back prices, the government would use whatever legislation it presently had, and in co-operation with the Department of Consumer and Corporate Affairs would do what could be done. He said that "We are not at all happy with what they are doing."

I want to assure the minister that I am not happy with this situation, nor are the agricultural producers who purchase large volumes of fertilizer to obtain maximum crop yields. In view of other rising production costs, top yields are absolutely essential to meet expenses and to provide even a narrow margin of profit.

If current prices hold, or even worse, escalate, many producers will be forced to cut back and smaller yields will result. It is not only a serious domestic problem, but also an international one.

It is estimated that one billion people, or one quarter of the world's population, already depend on extra crop yields produced by the use of fertilizer for their food requirements. It is reasonable to suggest that the great majority of the extra two billion people to be fed in the next quarter century will depend on the use of this important product.

Most underdeveloped countries found it impossible to purchase their badly needed fertilizer requirements in the past. Thus it is obvious that their present and future difficulties are most serious.

In conclusion, Mr. Speaker, on May 12 I asked the minister in view of the fact that supplies seemed to be adequate, was he satisfied that price increases were justified. He replied to the effect that, according to his information, prices were decreasing. I rechecked with the largest supplier of fertilizer in my constituency, Mr. Speaker, only to find that the prices quoted earlier were still in effect. One other dealer indicated to me that an attempt was to be made to move out his entire inventory if possible and to reduce the price by a whopping 2 per cent. In view of the 30 to 40 per cent increases, I would hope that no one would express any degree of satisfaction about a decrease of 2 per cent.

The producers are concerned, Mr. Speaker. They have every reason to feel apprehensive and they are certainly entitled to an explanation. I trust that the hon. member, in his reply, will have some helpful and useful information. I trust he will offer some worthwhile explanation and not select isolated cases reflecting only marginal price increases or "small decreases on some rarely used varieties."

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Thank you, Madam Speaker. In respect to the question raised by the hon. member for Elgin (Mr. Wise), I wish to make one point first of all. Prior to the 1974 election the government introduced into the House of Commons an anti-profiteering bill which would have given it the legislative authority to take action in cases of unwarranted price increases. It is not this party which is responsible for the fact that we have no legislative authority to take the kind of action which the hon. member now seems to think is advisable.

As the Minister of Agriculture (Mr. Whelan) stated when replying to the question of the hon. member for Elgin on Monday, there has been some decline in prices of some brands of fertilizer. In general, however, prices have not declined substantially and the minister is far from satisfied with the performance of the industry to date, particularly with regard to price differentials between east and west.

As you are no doubt aware, Madam Speaker, the Minister of Agriculture met representatives of the basic fertilizer manufacturers recently and warned them that they could find themselves over supplied as farmers—particularly in eastern Canada—were reluctant to pay the high prices being asked for fertilizer.

The Minister of Agriculture—indeed the whole government—is adamant that unwarranted profits by fertilizer manufacturers will not be tolerated. Legislation is being prepared by the Department of Consumer and Corporate Affairs to deal with unjustified price increases when such increases can be clearly identified. With regard to fertilizer, the Department of Agriculture and the Department of Consumer and Corporate Affairs are co-operating in an on-going investigation of the fertilizer industry.

It should be pointed out in fairness to the industry that fertilizer prices in Canada are still substantially below world prices. Recent information indicates that there is some build up of world supplies of fertilizers and this will no doubt have a depressing effect on prices.

Although the minister has not received the co-operation he had hoped for on prices, he is pleased that the industry kept its promise to ensure adequate supplies for Canadian agriculture. In the face of reluctance on the part of manufacturers of fertilizer and those in the manufacturing area

to take seriously the warnings of the Minister of Agriculture, he is attempting to arrange a further meeting with representatives of the industry. This will take place very shortly. At that time we shall fully consider fertilizer pricing policy. The minister is optimistic that this meeting will provide tangible results, as several companies have indicated, since the minister's address to the Canadian Fertilizer Institute, a willingness to discuss this matter.

HOUSING—NATIVE HOUSING PROGRAM—REASON FOR REDUCTION IN NUMBER OF STARTS—ABILITY OF NATIVE PEOPLE TO AFFORD MORTGAGE INTEREST RATES

Mr. Wally Firth (Northwest Territories): Madam Speaker, I am pleased to be able to pursue some questions I directed to the Minister of State for Urban Affairs (Mr. Danson) today regarding native housing in this country. I hope the minister will take this opportunity to elaborate upon an article that appeared in the Toronto *Star* of May 14, 1975. The article referred to a confidential document prepared by the federal cabinet.

● (2210)

I have raised this topic in the House before, but once again I should like to put on record the drastic housing situation in this country, and more particularly in the Northwest Territories. As a matter of fact in a speech of mine on January 27, reported in *Hansard* at pages 2144 to 2146, I described the housing situation in the Northwest Territories as a disaster. There is some kind of program to ship up north prefab houses which are really inadequate, most of which can only be described as death traps and which indeed have been working in that fashion.

I referred in my speech of January 27 to the possibility of implementing a housing program in the Northwest Territories making use of local materials, such as logs, which would help many people there who have no jobs. It would also certainly help alleviate the housing problem. I have received some comments from across the country which were quite favourable to the idea, and I hope that the minister has also received some comments in this regard.

One of the main objects and purposes of a housing program should be—indeed, must be if it is to meet with any measure of success—to find some way of adequately sheltering all families and individuals. This is, indeed, a basic human need. I do not think we can afford to go on much longer without some good programs to alleviate the very bad housing conditions.

The price we are paying for this situation, both socially and with lives, is simply far too high, and the government should give it very high priority. I was pleased to see, according to the article in the Toronto *Star* of January 14, some points for which I think the government can take credit, such as an admission that the programs that have been tried have failed. In this event I should like to know what has happened to the money that was put into these programs. I think a lot of money was spent. I also hope the government has learned that it should consult the people more, particularly those people the programs are designed to help.

[Mr. Cafik.]

Another point for which I think the government can take some credit is that it is considering spending a realistic amount on the programs referred to in the article. I understand that the government is going to consult with the people the programs will serve.

Other questions I should like to ask the minister in regard to this document is whether it does in fact exist, will it be made public, what is going to happen to it, and does it include a program for the Northwest Territories? This is one area of Canada that is really in desperate need of housing. If the north is not included, then the people of the north are not going to be very happy. Any step to remove poverty in the smaller villages down the Mackenzie valley, in the eastern Arctic, and indeed in the smaller villages and reserves across the country would be a good move indeed.

The article also refers to mortgage rates that people would have to pay, and I think this is something that should receive serious consideration. There are large numbers of people who presently have poor housing and would be unable to pay a mortgage rate of even one per cent.

These are the points that I wanted to make, Madam Speaker. I wish the minister would elaborate a little more on the question I raised earlier today, as well as elaborate on the document referred to in this newspaper article.

Hon. Barney Danson (Minister of State for Urban Affairs): Madam Speaker, I appreciate that the hon. member for Northwest Territories (Mr. Firth) is referring to a document which is alleged to have been leaked from another department. I think he can appreciate, therefore, that it would be inappropriate for me to comment on an alleged leak of an alleged document.

Having said that, I think we are reflecting the very deep concern which the hon. member shares, and I can speak only on behalf of my own area of responsibility, that is, CMHC, which deals with Métis and non-status Indians living off reserves. The matter of non-status Indians and those on the reserves is, of course, quite a different thing. If I can respond in that context I shall be pleased to do so.

I am deeply disturbed to hear prefabs referred to as death traps. I am interested to hear about the interest in local materials such as logs. This is an avenue we are pursuing in the areas of my responsibility. I am rather embarrassed after all these years that we still have to stand and debate these things in the House of Commons of Canada. It is an indication that something is wrong somewhere.

We are trying to correct the situation. In my own ministry for 1975 we have an allocation of $5.7 million to assist associations and many non-status Indians in the field of housing. We have established a cadre within the corporation to train native people in skills, including administrative skills, in order that they will be able to take advantage of the program and to administer housing for themselves. This is still a tortuous process at times, and the need for coordination and for giving assistance to the native people to get them started, often under extremely difficult conditions, is highly appreciated.

In our own CMHC rural and native housing program we still have a target of some 50,000 new and rehabilitated homes in five years. This program is intended to improve

housing conditions for a number of non-status Indians living off the reserves and for other residents of rural Canada as well. We expect that the majority of this will be for the native people.

Mr. Firth: What about the north?

Mr. Danson: These programs are available throughout the country, and I think that it especially affects the Northwest Territories and the Yukon. This is an area with which my colleague, the Minister of Indian Affairs and Northern Development (Mr. Buchanan) is concerned, and in which we are happily involved and support with our facilities. We also include those people in the north as well. They are Canadians and—

The Acting Speaker (Mrs. Morin): Order, please.

BANKRUPTCY—SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA—REASON FOR PERMITTING CLOSE ALIGNMENT WITH OFFICE OF SECRETARY OF STATE

Mr. Bob Brisco (Kootenay West): Madam Speaker, I do not know to whom I am addressing my remarks this evening, apart from the Chair. I should like to elaborate in respect of a Standing Order 43 motion to which I addressed myself this afternoon when I asked for a public inquiry into the Society for the Study of the Heritage of Canada. I asked why this apparent massive fraud by the Society for the Study of the Heritage of Canada was allowed to align itself with the Secretary of State's office in regard to grants, by the use of deceptive wording and stationery which would lead to the deception of all Canadians who were the victims of this slick material in that they would believe that what they were reading was in fact information provided by an agency of this government.

I asked why the Secretary of State's office was not doing any monitoring and, finally and most important, why the Secretary of State (Mr. Faulkner) went to this society instead of the society going to the Secretary of State. I consider this highly irregular and highly unusual. It is certainly not the Secretary of State's function to go to a society such as this and suggest that they should go into business, with the department supplying bucks. That smacks to me of something very wrong.

● (2220)

Finally why did the Secretary of State (Mr. Faulkner) reject a grant application for a massive sum of money to bail out this company from bankruptcy last fall and then, as recently as six weeks ago, indicate to the company that they were very seriously considering re-funding them when they were already in a state of insolvency? Not only that, but the Secretary of State knew their financial status at that time. He knew it last fall, and he knew it six weeks ago when they were ready to enter the bankruptcy procedure.

Now I ask, Madam Speaker, where is the protection for the young people who were shoved across Canada by this group? What about the students from Rossland, British Columbia, or the students from Halifax, or the students from Vancouver? What protection have these students, who put money in and never got it back? Who is responsible for this? What kind of a program, and what kind of a situation are being allowed to continue without an investigation?

It would be fine if it were just the office of the Secretary of State involved, but we have the Minister of National Revenue (Mr. Basford) giving this society a tax certificate as a charitable organization. Where did that money go? The Minister of National Revenue handed out the certificates to 35 organizations and I bet he could not be sure of 60 per cent of them.

Why has the Minister of Indian Affairs and Northern Development (Mr. Buchanan) indicated that they have not given $48,000 to the society? I suggest the minister should state where that $48,000 went. I suggest that probably it went to Alberta. It probably went to the Indians and was turned over to the society for its use and subsequent abuse.

Where has the Minister of Consumer and Corporate Affairs (Mr. Ouellet) been through all this charade that has been going on for three or four years? What about the complaints he has received? Has he ignored them?

Someone may think there is no need for a public inquiry because it is just a little thing, such as the department for which the Minister of Transport (Mr. Marchand) is responsible passing out free passes at the expense of the taxpayers of Canada so that these people can go across the continent and can fly to Europe 20 times a year, as was stated to me during the bankruptcy proceedings. It is not a matter of just one or two, but several of them. They do not go by economy class. Hell no; they have to go first class as often as they can.

Can you indicate to me, Madam Speaker, that there should not be a public inquiry when we wonder where the Minister of Consumer and Corporate Affairs was, what answer the Minister of Indian Affairs and Northern Development has in respect of the $48,000, what answer the Secretary of State has in respect of his actions, and what answer the Minister of National Revenue has? Do you think this is not a matter of importance to the people of Canada? If so, then I must disagree.

Finally, I say that the Secretary of State is responsible to Carleton University and to Ottawa University which were conned into $50,000 plus of expenses because they thought it was a government agency. If we take a look at the list of the Heritage Society and its advisory board we see that it reads like a Who's Who in Canada. What is going to be done about these fine names? I challenge the government to do something concrete and definite.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I am especially honoured to be able to speak tonight since the hon. member mentioned at least

five ministers. Unfortunately I do not have the answers that he is requesting.

The Secretary of State (Mr. Faulkner) is presently looking into the questions asked in the House yesterday by the hon. member for Central Nova (Mr. MacKay) and today by the hon. member for Kootenay West (Mr. Brisco) in relation to his department's contact with the Society for the Study of the Heritage of Canada. When the most recent information has been gathered these questions will be answered. As indicated in his response to the hon. member today, the Secretary of State has not obtained sufficient information to date, and will respond to him fully at the first opportunity.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Friday, May 16, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

SOCIAL SECURITY

[*English*]

PROPOSED INCREASE IN PENSIONS AND ALLOWANCES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the terms of Standing Order 43. It is one which I believe is urgent, having in mind the desire for unity in this country and for good morale on the part of our people. In view of the fact we have been witnessing massive pay increases for members of parliament, senators, cabinet ministers, lieutenant governors, judges—there seems to be no restraint—I ask the House to be fair. Therefore, I move, seconded by the hon. member for Waterloo-Cambridge (Mr. Saltsman):

That the government be asked to introduce forthwith a bill to increase the basic pension under the Old Age Security Act to $300 a month and to provide corresponding increases in veterans pensions and allowances and in all social benefits.

Some hon. Members: Hear, hear!

Mr. Speaker: Even with the leniency now allowed to proposed motions under Standing Order 43 according to the new format, I have to confess that the subject matter raised by the hon. member, although it is tied to certain legislation before the House, still relates to a matter of continuing concern rather than to a matter of pressing necessity. I do not think it should be put.

Mr. Knowles (Winnipeg North Centre): Are there citations which Your Honour could give to the House to support this ruling, in the light of other motions under Standing Order 43 which have been put to the House?

Mr. Speaker: Order. The hon. member for Vancouver Quadra.

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AIRPORTS

SUGGESTED INQUIRY INTO LACK OF SECURITY CHECKS—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In spite of questions raised by me in this House on April 15 and May 12 concerning the lack of protection accorded passengers by security procedures at Canadian airports, yet another illustration of this failure has occurred, namely, the passage through a security check at Toronto International Airport last night of hand baggage containing a high-powered rifle complete with ammunition.

I move, seconded by the hon. member for Don Valley (Mr. Gillies):

That the government order an immediate inquiry into the procedures followed in the attempted screening of passengers and their hand baggage prior to boarding aircraft in Canada, and into the reasoning which results in there being no security check whatever in many airports in Canada.

Mr. Speaker: The motion is proposed under the terms of Standing Order 43; it cannot be put to the House in the absence of unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

PROPOSAL THAT DEPARTMENT PURCHASE DE HAVILLAND DASH SEVEN AIRCRAFT—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Having regard to the fact that an export market is obtainable for the de Havilland DASH 7 because of its abilities in sovereignty patrol, I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the Minister of National Defence immediately consider ordering these airplanes for our shoreline patrol thereby opening the market and providing capital and jobs for Canada.

Mr. Speaker: The motion is proposed under the terms of Standing Order 43 and unanimous consent is required before it can be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

REQUEST FOR STATEMENT OUTLINING REASON FOR RECOGNITION OF NEW REGIME IN SOUTH VIET NAM—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise to propose a motion under the terms of

Standing Order 43 concerning a matter of urgent and pressing necessity. It arises out of the provocative action on the part of the government in hastily extending diplomatic recognition to the Provisional Revolutionary Government of South Viet Nam, a move out of step with current attitudes in nations with which we conduct over 90 per cent of our trade, and coinciding with the news of the role played by North Viet Nam in the overthrow of the government of South Viet Nam—a truly reckless and unnecessary move in a period of mounting trade tensions and protectionist sentiments. I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That the House request an immediate statement on motions setting out the motivation behind this unfortunate move and explaining whether the government plans to extend any assistance to this provisional government whose representatives come from Hanoi, not Saigon; and that there be full debate on this matter.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43. It cannot be presented in the absence of unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

● (1110)

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

MINISTER'S VIEW OF SPENDING INCREASES OF GOVERNMENT—POSSIBILITY OF REVISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who seems to have been behaving yesterday as just one of the boys. He is reported as having said this: "I am the first to say that if we are going to have any success in getting labour and business to agree to voluntary restraints, we have to set a better example in Ottawa". Is it the view of the minister that the spending increases for the 1975-76 fiscal year are excessive and inappropriate? If so, as a member of the government and not as a visitor to the Welland Chamber of Commerce, is the minister going to do something about it?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, obviously governments at all levels will have to participate in any program to moderate increases.

Mr. Gillies: Including the federal?

Mr. Turner (Ottawa-Carleton): Including the federal government. The federal government will have to exercise, in some respects an even tougher review of its spending priorities in the reconciliation of a good series of legitimate socially directed programs and legitimate infrastructure programs. These are good in themselves, but we have to orchestrate them within the ability of the economy to digest them.

[Mr. Johnston.]

Mr. Stanfield: A supplementary question, Mr. Speaker. I took it that the minister said that "we would have to set a better example". Therefore, I ask the minister whether under his interpretation, which I think is very favourable to him, he envisages a 15 per cent increase in expenditures this year as opposed to last year. That was worked out when he foresaw a growth of about 4 per cent in the economy. Now, he foresees no growth in the Canadian economy during the period in question. Is it his intention to revise his spending estimates accordingly?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman is correct in his analysis of the growth figures, but of course the spending estimates also depend on the forecasts of inflation which were set forth at the time, and how those spending estimates have been affected by inflation. The government has been affected in its own costs by inflation, as has every other sector of the economy.

Mr. Stanfield: A final supplementary, Mr. Speaker. I do not know whether the minister means to indicate that inflation is even worse than he anticipated when he presented his budget, but may I ask him whether, in order to save time for everybody and prevent a lot of confusion, in the case of future tours the minister will make it clear to the audience that he is addressing whether he is performing as a minister of the Crown or just as an interested outside observer of bloodshed around the cabinet table?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am performing as a minister of the Crown. If the hon. gentleman would like to go on tour and have this thing out in every chamber of commerce and union hall in the country, I would be glad to accompany him.

Mr. Nowlan: We were doing that a year ago.

INCREASE IN SPENDING ESTIMATES OF DEPARTMENT OF FINANCE AS EXAMPLE FOR BUSINESS AND LABOUR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the minister's statement yesterday, referred to by my leader, that the federal government's lack of spending restraints has set a poor example for business and labour, would the minister indicate whether the two year 40 per cent rise in his own department's administration spending has, in particular, set a poor example for labour and business?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, those were not my words. My words were more closely identified with the question put by the Leader of the Opposition.

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FOREIGN INVESTMENT REVIEW ACT

POSSIBILITY OF PROCLAMATION OF PART II OF ACT

Mr. Sinclair Stevens (York-Simcoe): A further supplementary question for the Minister of Finance. In view of the minister's statement that he would like to see more foreign investment in Canada, would he indicate whether,

with this attitude in the Department of Finance, it is unlikely that the remainder of the Foreign Investment Review Act will be proclaimed in the immediate future?

Mr. Woolliams: Good question.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the hon. gentleman has the support of his colleague from Calgary North, then we are in trouble.

Mr. Stanfield: You are in trouble anyway, John.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, what I said was that in light of the current account deficit project for this year of between $4 billion and $5 billion, obviously the climate for foreign investment in this country was more accessible.

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THE BUDGET

DATE OF PRESENTATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, there being only nine sitting days left in May, I wonder if the minister could now tell the House the date of his budget? Does he still hope it will be in May, or does he now expect it to be in June?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should like to have further consultation with the Prime Minister, the House leader and my colleague and announce a date next week.

An hon. Member: It is in God's hands.

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THE CANADIAN ECONOMY

UNEMPLOYMENT—MINISTER'S POSITION ON REASON FOR HIGH LEVEL

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question relates to the statement the Minister of Finance made in Welland, that we cannot pull out of our unemployment situation in Canada unless the economy improves in other countries. Is the minister now returning to the old position he has been advocating over the years, that we cannot do very much in this country until there is improvement in the economies of other countries and, if so, is he returning to that position because he has failed to reach a consensus and has given up on the idea of bringing in a wage and price restraint program?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. What I said was that since a good deal of our unemployment can be traced to a falling off of exports, particularly because of the recessionary situation in the United States, Europe and Japan, our three largest areas for exports, that employment can only be regenerated as our exports are restored, and our exports can only be restored as those economies come back.

Mr. Saltsman: Mr. Speaker, how does the minister reconcile that position with his statement that we have high unemployment in Canada because of high wage settlements?

Mr. Turner (Ottawa-Carleton): That is not it at all, Mr. Speaker. What I said was that if current trends of rising unit costs of production continue at the present ratio with those in the United States then these cost trends would put us in a position where we are non-competitive, and that would have unemployment consequences. What the hon. gentleman is doing is trying to compare a statement of fact in respect of the present situation with a projection in the future as to what would happen if current trends continue.

INQUIRY AS TO STUDY OF COST TRENDS IN INDUSTRY

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, has the minister carried out studies which enabled him to substantiate the statement he has made in the House today about cost trends and, if he has, will he indicate to the House which industries are in danger of pricing themselves out of the market?

Hon. John N. Turner (Minister of Finance): I would be prepared to go into more detail on an appropriate occasion, Mr. Speaker, yes.

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[*Translation*]

FINANCE

SUGGESTED LIMITATION OF SALARY INCREASES TO TWELVE PER CENT

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a supplementary question to the Minister of Finance.

In the event that labour and business refuse his proposal to limit salary increases to 12 per cent, did the Minister of Finance consider the possibility, on the one hand, of reducing taxes in his coming budget to stimulate the national economy, and on the other hand, of levying a special tax on the portion of the increase exceeding the 12 per cent he is proposing now, such a tax acting as an offsetting factor of the increase which might be imposed to the Canadian economy by industry and labour?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the representations made by all hon. members, especially the most intelligent ones must always be taken into consideration.

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OLYMPIC GAMES

SUGGESTED MEASURES BY FEDERAL GOVERNMENT TO ENSURE SUCCESS

Mr. René Matte (Champlain): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

In view of the uncertain situation surrounding the preparation of the 1976 Olympic Games in Montreal and in view of the fact that the very reputation of the whole country is at stake, would he tell the House whether he intends to take special action in order to ensure the success of this project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had the opportunity to say previously that the federal government would be willing under the present circumstances to support the Quebec government should the latter need it; however, as I have indicated yesterday, we feel that the Quebec government is now taking the necessary steps to solve the matter and, for the time being, I have no other special measure to announce.

* * *

● (1120)

[*English*]

SOCIETY FOR STUDY OF HERITAGE OF CANADA

FUNDING OF SOCIETY BY DEPARTMENT OF SECRETARY OF STATE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Secretary of State. Could the minister advise the House if the Society for the Study of the Heritage of Canada was approached by his department with an offer of funding or assistance of any kind?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I will be giving a rather complete answer on Tuesday concerning the involvement of my department with the society. We did fund, I think, three senior citizen projects. The details of this I will provide the House on Tuesday.

Mr. Baldwin: Mr. Speaker, I wonder if the minister, in making his statement which I hope will be comprehensive, will include an answer to the specific question I asked which is whether his department approached the society with regard to an offer.

Mr. Speaker: Order, please.

Mr. Baldwin: Mr. Speaker, I have a supplementary for the Minister of National Revenue who seems to have fled the scene. With your permission, perhaps I might file a caveat to ask it when he returns if I could be recognized then.

REASON DEPARTMENT CONTINUED TO DEAL WITH SOCIETY IN LIGHT OF WARNINGS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to ask the minister if in the course of the statement he will give on Tuesday he intends to tell the House why his department continued to deal with the society when as long ago as December 1974 the Government of Ontario was warning its school boards that they ought not to deal with this organization in view of the precarious position in which it found itself. Will he be dealing with this in the course of his statement?

Mr. Speaker: Order, please. I think such questions really anticipate what the minister has already said, that he will be making a statement on Tuesday, and in light of our new procedure which allows for questions after the statement, perhaps questions on this subject ought to be held until the minister makes his statement on Tuesday.

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THE CANADIAN ECONOMY

INFLATION—PERCENTAGE CAUSED BY WORLDWIDE FACTORS AS COMPARED TO DOMESTIC FACTORS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Minister of Finance. I wonder whether the minister could inform the House what percentage of inflation in this country is caused by the worldwide factors to which he just referred and what percentage does the feel is caused due to domestic factors to which his consensus program is aimed?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is difficult to be precise about that because of the factors involved. Underlying the hon. gentleman's question is the assumption that the inflationary situation is the same in 1975 as it was in 1973 and 1974. In 1973 and 1974 the fundamental thrust of inflation was a worldwide imbalance in supply and demand reflected in a doubling of commodity prices, an extreme rise in food prices, and a quadrupling of the structural price of oil. In 1975, beginning in the last quarter of 1974, the thrust now is on the cost-push side.

Mr. Gillies: It is precisely the same.

Mr. Turner (Ottawa-Carleton): It is not precisely the same, Mr. Speaker. The remedy suggested by the hon. member for Don Valley, accepted by his leader in 1973-74, was the wrong remedy at the wrong time, recognizing the wrong factors.

INFLATION—REQUEST FOR OUTLINE OF MEASURES TO CURTAIL GOVERNMENT EXPENDITURES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, in view of the fact that the minister has admitted that probably the largest single factor in increasing inflation in this country is out of control government expenditures at all levels, including the federal government, I wonder whether he could specifically indicate what steps he is taking to encourage other levels of government to restrain themselves, and also could he specifically outline now, or on a statement on motions if he prefers, what specific steps the federal government is taking to curtail its expenditures?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not recall saying what the hon. gentleman has incorporated in his preamble.

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HOUSING

REASON FOR CANCELLATION OF MEETING WITH PROVINCIAL MINISTERS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of

State for Urban Affairs. Has the meeting scheduled for May 21 with the provincial ministers of housing been cancelled and, if so, why?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, no meeting was scheduled. A date was discussed among several of the housing ministers and myself. It is unlikely that I will be able to make it on that date, but I am trying to arrange a date that would be satisfactory to all of us.

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THE BUDGET

EFFECT OF POSTPONEMENT OF DISCUSSIONS WITH PROVINCIAL HOUSING MINISTERS ON DATE OF PRESENTATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question is for the Minister of Finance. Given that the Minister of Finance has stated that the whole range of federal initiatives in housing is being reviewed for the forthcoming budget, would the minister say if the postponement of discussions regarding housing with the provincial ministers of housing means a further delay in the presentation of the budget?

Hon. John N. Turner (Minister of Finance): I have enough trouble scheduling meetings with my colleagues in the provinces without being concerned in every detail with how my own colleagues are able to achieve it.

An hon. Member: You don't count, Barney.

Miss MacDonald (Kingston and the Islands): Am I to take it from the minister's reply that the proposals to the provincial governments regarding shelter, to which he referred in the House on Wednesday, are not to be part of the consensus talks or the budget proposals and that stimulation of the housing sector remains a very low priority with this government?

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, the hon. lady should not assume that.

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FOREIGN INVESTMENT REVIEW ACT

GOVERNMENT VIEW OF PROGRESS IN LIMITING FOREIGN CONTROL OF ECONOMY—FUTURE INTENTIONS WITH REGARD TO ACT

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the fact that after two years of operation the Foreign Investment Review Act has reduced the proportion of foreign controlled business by only one per cent of the combined book value of all business, is the government satisfied that sufficient progress has been made in limiting foreign control of the Canadian economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is only referring to one area in which the government is acting to increase domestic control of our economic environment, and I think he should consider the total picture before making an assessment.

Mr. Symes: In view of the statements made yesterday by the Minister of Finance in Welland that he would like to see more foreign investment in Canada, is it now government policy to downplay the aim and intent of the Foreign Investment Review Act?

Mr. Trudeau: I am not sure whether the minister was accurately quoted, but we have never said in this party that we were opposed to foreign investment. What we have said is that we want to make sure that it operates for the significant benefit of Canadians, and in this sense we continue to allow foreign investment in this country.

Mr. Symes: The Minister of Finance stated yesterday that the government is also reviewing all statutes and policies affecting foreign investment in Canada. Is this the reason that Part Two of the Foreign Investment Review Act dealing with new foreign business and foreign business expansion in unrelated fields has not yet been proclaimed as law?

Mr. Trudeau: No, Mr. Speaker.

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LABOUR CONDITIONS

WORK STOPPAGES IN QUEBEC—POSSIBLE USE OF RCMP TO PROTECT CONSTRUCTION SITES

Mr. James Gillies (Don Valley): My question was intended for the Solicitor General, but in his absence I will direct it to the Prime Minister. It may be somewhat supplementary to an earlier question, but I would like a precise answer, if possible. In view of the continuing work stoppages throughout Quebec construction sites because of the possibility that the province would put unions under trusteeship, is the government prepared, if requested by the government of Quebec, to authorize RCMP officers to go in to protect construction sites against violence which may occur because of the unrest in the labour movement in Quebec at present?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no requests having been made of the federal government to assist them. If the question is hypothetical, then obviously it does not have to be answered.

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AIR CANADA

ALLEGED LOSS ON FLIGHTS BETWEEN MONTREAL, OTTAWA AND TORONTO—REQUEST FOR EXPLANATION

Mr. A. C. Abbott (Mississauga): Mr. Speaker, I should like to direct a question to the Minister of Transport. In recent testimony Air Canada has stated that it lost $19 million last year on flights between Toronto, Ottawa and Montreal. Considering the high load factor on these routes, as evidenced by the consistent difficulty faced in obtaining seats between Ottawa and Toronto, can the

minister ascertain whether the estimated loss is valid and, if so, what reasonable explanation has the airline to offer for what would appear to be, on the face of it, the most lucrative airline route in Canada?

● (1130)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that is part of the policy we will announce eventually.

Some hon. Members: Oh, oh!

An hon. Member: Which year?

Mr. Marchand (Langelier): Hon. members still have a few days to laugh. It is good for their health.

We have to study the structure of air fares because there is no doubt that some short hauls are being subsidized by long hauls. We will have to revise all this to have a better equilibrium. Hon. members who always travel first class should know that they are subsidized by the economy class.

Mr. Nowlan: Only ministers travel first class.

Mr. Marchand (Langelier): I sometimes meet my hon. friends in first class, but as we have a pass, it is cheaper for Air Canada to have ministers in first class because this is where there are seats available.

Some hon. Members: Hear, hear!

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LABOUR CONDITIONS

REASON FOR DELAY OF DECISION ON INQUIRY INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Prime Minister in the absence of the Minister of Labour. Now that the government has received two reports on SIU activities, one from the Department of Justice and one from the Department of Labour, and in light of the statement of the Minister of Labour earlier this week to the effect that a decision on an inquiry will be made this week, why is the decision on such an inquiry now apparently being postponed until at least next week, and when can we expect this decision to be made?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I would ask the hon. gentleman to be patient for a few more days.

Mr. Schumacher: I will ask the parliamentary secretary what ministers are involved in this discussion and if consideration will be given to making these reports public at the time the decision on the inquiry is announced.

Mr. MacGuigan: Mr. Speaker, the hon. gentleman will just have to await action by the government.

[Mr. Abbott.]

GRAIN

GOVERNMENT RECOMMENDATION AS TO PRODUCTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice in charge of the Wheat Board a question. He recommended that production of grain be increased this year, yet quotas have been cut off in May of this year. There is still much grain piled up on the farms and in storage space because of the dilly-dallying of the government over the labour difficulties at the ports. Is the minister now going to bring in another LIFT program next year?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am glad to see that the hon. member for Calgary North recognizes that there is indeed grain in the country. The hon. member for Qu'Appelle-Moose Mountain does not seem to agree that either the statistics or the visible piles of grain are evidence of anything.

The quotas originally proposed for termination on May 16 in regard to the higher grades of wheat were in fact extended by the Canadian Wheat Board, so the open quota continues. There is generous space in most elevators, and farmers are delivering their grain to them. Our recommendation in regard to acreage was that a very significant increase in acreage and reduction in summer fallow should take place because of the relatively low world stocks of grain. Although there is still a fairly reasonable stock of Canadian grain. That continues to be our advice.

Mr. Woolliams: I would ask the minister to contact the wheat pools and the grain companies across this country to find out how much grain is stored in the elevators and on the farms at the present time. I ask seriously, is he going to reconsider his suggestion for more production in western Canada in light of the fact that one of the biggest crops of winter wheat is now beginning to be harvested in the United States?

Mr. Lang: No, Mr. Speaker. The figures on farm stocks and on stocks in elevators are available in the best possible way. The elevator stocks are of course literally available in actual numbers of bushels, and I read the statistics every week. Statistics Canada calculations of farm stocks have been borne out in the past as accurate. The good crop which is being harvested in the United States is in a sense welcome news from a world point of view. It remains a fact, however, that the world stocks of grain are relatively low, and this means that it would be desirable to improve grain stocks. What we want now, of course, is some recognition from the rest of the world after the experience of lower stocks, that the rest of the world should appreciate our carrying stocks.

As long as we were carrying a large stock, there was no appreciation of that, and it may have been a necessary exercise to see those stocks go a little lower before the world began to see that it should pay us for carrying stocks rather than offering to pay us lower prices when we carry that security for the rest of the world.

THE CANADIAN ECONOMY

REASON FOR ALLEGED CHANGE IN GOVERNMENT'S ATTITUDE TOWARDS PRICE AND WAGE CONTROLS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. I would like to ask if the Minister of Finance, in his memorable speech yesterday, was stating government policy when he said, "at least now there is an intellectual argument for controls." If this is so, when did the new dawn break? This time a year ago was the Prime Minister, as the leader of a party in an election campaign, just intellectually dishonest or just plain economically stupid?

Mr. Speaker: There is a good deal of merit to the question, although one might have noticed a slight argumentative note at the end. The question basically seems relevant.

Mr. Nowlan: I will take some of the argumentative nature out of the question. I certainly would not want to argue with the Prime Minister on such a beautiful Friday on May 16, when just a year ago we were all arguing in another forum. Does the Prime Minister accept as government policy that, as the Minister of Finance said yesterday, "at least now there is an intellectual argument for controls," and if so when did this new dawn break?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know when the dawn will ever break over the hon. member's mind.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Perhaps if he is given time he will understand that at different times in the economic cycle inflation can be either cost-push or influenced by external events over which controls would have had no effect.

Mr. Nowlan: Mr. Speaker, I am not really worried about the dawn breaking over my head. After all, we have the Prime Minister and God to worry about us and to get us out of all these problems. But seriously, does the Prime Minister feel that there have been that many fundamental changes in the economic picture within the last year to make controls intellectually acceptable now, but not intellectually acceptable during the campaign?

Mr. Clark (Rocky Mountain): When did Turner start speaking for the intellectuals?

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, to observers there obviously is a difference, in that inflation is now more of a cost-push nature than it was when it was an international phenomenon caused by the high prices of energy and essentially caused by shortages of world commodities, so that there is a difference in the economic timing.

The second point is that there is also a difference between a thing which is intellectually acceptable and that which is politically and practically—

Some hon. Members: Oh, oh!

Mr. Trudeau: The House knows, because we have said it many times, that there has been at least for four or five years in the works of the government something called a contingency plan on price and wage controls. This had to be put together, to use the hon. member's words, from an intellectual point of view. The fact is that in the government's judgment neither last year nor this year have we decided to announce any such controls.

Mr. Nowlan: I am not going to discuss the intellectual aspect of this at this time.

Some hon. Members: Oh, oh!

● (1140)

Mr. Nowlan: Taking the first part of the Prime Minister's answer, Mr. Speaker, would the hon. gentleman agree with me that admitting and assuming there have been some changes to the economic pattern, we are now confronted with the fact that there was no action, even though an election campaign was fought on the basis that increased productivity was the only solution, that those factors which have changed have been aggravated by the inactivity of the government which the Prime Minister leads?

Mr. Speaker: The hon. member for Winnipeg North Centre.

Mr. Nowlan: Mr. Speaker, the Prime Minister was on his feet.

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FINANCE

SUGGESTED RECOVERY BY TAXATION OF PORTION OF MEMBERS' PAY INCREASE—POSSIBLE TAXATION OF ALL WAGE INCREASES EXCEEDING TWELVE PER CENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question to the Minister of Finance is also based on his speech in Welland.

Mr. Clark (Rocky Mountain): He was misquoted!

Mr. Knowles (Winnipeg North Centre): In view of the minister's statement that the timing of the pay bill for members of parliament was lousy—I think that is a correct quotation—

Mr. Baker (Grenville-Carleton): Is he going to give back his pay cheque?

Mr. Knowles (Winnipeg North Centre): In his forthcoming budget proposals will the minister consider taxing back the portion of that increase that we should not now be receiving?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I suggest that I also said something that was not reported at the same time, namely, that the 33⅓ per cent increase, measured over the period since the last increase, was still lower than the rise in the cost of living in the same period and if prorated would be about 5½ per cent per year.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. If the minister is not prepared to go as far as I suggested would he give favourable consideration to the suggestion made by the hon. member for Lac-Saint-Jean to tax back from everyone any increase that exceeds 12 per cent or $2,400, whichever is the lesser?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I take that as a representation as I did from the hon. member for Lac-Saint-Jean.

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AIRPORTS

SECURITY CHECKS—REQUEST FOR INVESTIGATION OF ALLEGED INADEQUACY

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Transport. In light of today's CBC news report that a passenger boarding at Toronto International Airport passed through the security check with hand baggage containing a high powered rifle with ammunition, will the minister investigate what is happening to the moneys allocated by Parliament for security checks at airports, since it is obviously not providing the protection expected?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I read the news report like my hon. friend. I know one passenger boarded, I think, a Sabena plane in Brussels flying to Toronto. He was carrying a handbag containing a rifle and ammunition, and even a knife. He went through the security check without being stopped and it was the stewardess who, finding the bag was heavy, asked the passenger what it contained. He said it contained a rifle. Of course, that does not show that the system is good, but the security system in Toronto is under the responsibility of Air Canada. I know the corporation immediately suspended the person responsible for the negligence.

I hope this will not happen too often, but there will be no need to be shocked if it happens from time to time, because it happens all over the world. Some people even entered Germany, France or England with machine-guns. I regret it very much, but at all events Air Canada has taken the necessary steps to correct the situation.

[*English*]

Mr. Clarke (Vancouver Quadra): I wonder what would have happened if the passenger had not admitted he had the gun.

An hon. Member: You would not have a question and we would all be happy.

Mr. Clarke (Vancouver Quadra): On April 15, the minister said in the House that he would consider an investigation into the failure of x-ray machines to detect the presence of four razor-sharp knives in hand baggage at Vancouver and Toronto International Airports. Last Monday the minister said in the House that he would inquire into the situation at some airports, such as Prince George, British Columbia, where passengers were not required to submit to security checks. Would the minister report on his investigations or does he categorize these questions as "small and mean"?

Mr. Marchand (Langelier): No, Mr. Speaker, I am not going to categorize them that way. I am told that they are making some alterations in the airport and this is the reason there is not yet a security check there. This is the reason given to me, and as soon as the alteration is completed the security system will be re-established.

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EXTERNAL AFFAIRS

SUGGESTED CANADIAN EFFORT TO HAVE NORTH AND SOUTH KOREA RESOLVE DIFFERENCES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Secretary of State for External Affairs and arises from the fact that world tension now seems to be shifting to the divided Koreas. Would Canada lend its good offices and efforts to try to have representatives of North Korea and South Korea meet on some neutral ground, preferably some international forum, to attempt to resolve their differences? From personal experience, as head of a parliamentary delegation to South Korea a year ago, I can state that nothing useful will emerge from meetings in the demilitarized zone between them.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I appreciate the hon. member's interest in this subject, and I will certainly give his representations consideration.

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BAIL REFORM ACT

INQUIRY AS TO COMMENTS OF PROVINCIAL ATTORNEYS-GENERAL ON STATISTICS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Justice who stated on February 4 that statistics on the operation of the Bail Reform Act have been provided to the provincial attorneys general so that they might be aware of the figures before they were made public. Has the minister received any comments from the attorneys general?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would draw the attention of the hon. member to the answer to exactly the same question the day before yesterday.

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INCOME TAX

POSSIBILITY OF IMPROVING METHOD OF POLICING CHARITABLE ORGANIZATION RECEIVING TAX EXEMPT DONATIONS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Minister of National Revenue. In light

of what appears to be the very dubious nature of some of the actions of the Society for the Study of the Heritage of Canada, is the minister giving consideration to an improved method of policing charitable organizations, donations to which are tax exempt?

Hon. Ron Basford (Minister of National Revenue): Yes, Mr. Speaker. I indicated in the estimates committee that this was a matter of concern to me and that my officials and I have been working on it. There is liaison with officials of the Department of Finance on the subject.

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GRAIN

PROTECTION TO PRODUCERS AGAINST ILLEGAL DEMURRAGE CHARGES

Mr. Arnold Malone (Battle River): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. In light of the fact that there are still ten labour contracts due that can affect the grain industry in the current year, does the government intend to give any special protection to farmers against illegal demurrage charges?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am not quite sure what the hon. member refers to when he mentions that ten contracts are due. The Wheat Board or other owners of grain who have demurrage claims made against them know fully what their rights are, and I doubt whether they would pay any illegal charges.

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INQUIRY OF THE MINISTRY

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the statement made by the minister to the "Adventure in Citizenship" students on Wednesday night that the House of Commons should face the Ottawa River, could the minister inform the House whether he intends to alter the course of the Ottawa River or about face the parliament buildings?

Hon. Barney Danson (Minister of State for Urban Affairs): Well, Mr. Speaker, Liberals can move mountains but I think it would be difficult to change the course of the river!

Mr. Turner (Ottawa-Carleton): You are too modest.

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TRANSPORT

AVAILABILITY OF NEW POLICY PROPOSALS TO MEMBERS—POSSIBILITY OF NEW PROPOSALS FOR AIR CANADA AND CANADIAN NATIONAL RAILWAYS

Mr. Les Benjamin (Regina-Lake Centre): A supplementary question for the Minister of Transport, Mr. Speaker. In view of the fact that data and part of a policy paper being presently discussed by the cabinet has appeared in the press, can the minister tell the House if he will be able to make the policy proposals available to the House of Commons?

Hon. Jean Marchand (Minister of Transport): No, Mr. Speaker, we are going to follow the normal procedure. I am sure the hon. member understands that it has to go through cabinet before we can discuss it in the House.

Mr. Benjamin: I appreciate that it has to go through cabinet, but I thought we could get it from the minister rather than read it in the papers. I appreciate that I cannot expect the minister to divulge any proposals on new policy. Can the minister tell us whether or not the new policy proposals will contain any new directions concerning the operations of Canadian National Railways and Air Canada, particularly as CNR made record net operation profits, but the interest on the debt has eaten up an additional $30 million-odd over and above operating profits?

● (1150)

Mr. Marchand (Langelier): Mr. Speaker, all I can say at the moment is that there will be many, many changes. Some of the matters that were referred to by the hon. gentleman are to be studied and analysed and recommendations are to be made about them.

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EXTERNAL AFFAIRS

REQUEST FOR INFORMATION ON GOVERNMENT POSITION ON INTERNATIONAL DEVELOPMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Prime Minister. With respect to the Prime Minister's statement to me in the House on Wednesday, that he would welcome my constructive suggestions on the formation of a Canadian position on international development, will the Prime Minister tell me how I can make such constructive suggestions when I am denied the material and views prepared by the CIDA team of experts on the ground that it would be premature to make public at this time the CIDA position papers. And will the Prime Minister take steps to provide members of parliament with the fullest information now being gathered by the government on the options for a comprehensive policy on international development?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure that as soon as the department or the agency is ready to make these papers public, it will consider that. I encourage the hon. member in the meantime to do some thinking about the problem. I myself have not seen these papers but it has not prevented me from addressing myself to these questions in many discussions with my colleagues. I hope the hon. member will feel free in his party and caucus to raise such important questions. I think we should have some thinking on this subject on the other side of the House.

Oral Questions

ALLEGATION FOOD AID NOT REACHING THOSE IN NEED—REQUEST FOR REPORT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, may I ask a supplementary question? I am only one man and only so much information can be made available to me. I need the kind of support which the government has available for the formation of its own policies. In an effort to gather material for constructive suggestions, I asked the Prime Minister on May 8 if he was aware that 80 per cent of Canada's food aid is being sold to local peoples. The Prime Minister said he was not aware and undertook to find out if there was misinterpretation and misrepresentation in Canada's food aid. Could the Prime Minister now report to me on this subject?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I have been made aware of the hon. member's question. It has been the practice, I think since about 1951, for governments which receive Canadian food aid to establish counterpart funds which are devoted to economic development purposes. Normally, the recipient countries of food aid distribute that food through their own distribution system to people most in need. In some cases they establish the price at cost or somewhat above cost in order to protect their own agricultural and distribution systems. It should be added, however, that in the case of multilateral assistance, and emergency assistance, no counterpart funds are established. But this practice, as I have discovered, has been systematically followed since the Colombo plan of 1951, and certainly is nothing new. It is intended, really, to protect the marketing and agricultural systems in the recipient country.

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NATIONAL DEFENCE

SUGGESTED PURCHASE OF DE HAVILLAND DASH SEVEN AIRCRAFT

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is addressed to the Minister of National Defence. Is the minister actively considering purchasing the new de Havilland DASH 7 aircraft for sovereignty control over our oceans, and will he announce his intention to the House in the next few weeks?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the DASH 7 is one aircraft which we are considering, but it is only one of several.

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AIR CANADA

ALLEGED SUBSIDIZATION OF EASTERN ROUTES BY THE WEST—REQUEST FOR DELAY IN RATE INCREASES UNTIL RATE STRUCTURE CHANGED

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Transport. Last Wednesday I asked the minister a question about the cross-subsidization of routes, inasmuch as the prairie routes are subsidizing the Air Canada Toronto-Ottawa-Montreal route. I think the minister misunderstood my question. May I now ask whether he is prepared to intercede with Air Canada, with a view to seeing whether the application for increased rates can be forestalled or postponed until this discrepancy in the rate structure can be solved.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the answer is no.

Mr. Hnatyshyn: Mr. Speaker, may I direct my supplementary question to the Minister of Justice as the minister representing western interests?

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Will the minister not intervene, on behalf of western Canada, in this grossly inequitable situation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have noted the hon. member's representation.

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FISHERIES

LOBSTER—REQUEST FOR REVIEW OF DECISION OF FEDERAL-PROVINCIAL COMMITTEE ON GEAR LOSSES AND POSSIBLE CHANGE IN FISHING SEASON

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of State responsible for fisheries. What action has he taken to investigate the questionable decision of a federal-provincial committee concerning the declaration of certain zones and compensation for lobster gear losses last year? Also, in view of the time of year, will he advise the House if he has directed his officials to investigate doubts concerning the lobster season? If changes are to be made, is he aware of consensus on the part of fishermen?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, it is difficult to review a decision made by a federal-provincial committee over one year ago. I am willing to see if we can make improvements in this matter, but I really must tell the hon. member that the decisions were made in the light of facts then known, and only after full consultation with the provincial government which was very much involved in this process. As I have indicated, I will try to be as flexible as I can, but I would not want to give those who have been refused false hope.

As to the matter of the lobster season, we are looking at the matter again. I had not received official requests from fishermen's organizations up to a couple of days ago, but I will look in the files again. We are always willing to change the regulations which we can change at the stroke of a pen to accommodate fishermen. The problem is to obtain consensus among all fishermen of the district.

TRADE

PROPOSED INTERNATIONAL COMMODITY AGREEMENTS—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct my question either to the Prime Minister or to the Minister of Finance about the brief report we received from Iran when the Minister of Finance was there? I would not wish to suggest to the Minister of Finance that there has been any wrong reporting. According to press reports, he suggested in Iran that all raw materials moving in international commerce should be subject to international agreements, both from the point of view of buying and selling countries. I ask, is that the policy of the government of Canada? Is it the view of the government of Canada that wheat, copper and other commodities besides oil should be subject to international agreements? If so, is the government of Canada taking an active initiative to push that view in the world community?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government's position, generally speaking, is that we are in favour of international commodity agreements. Actually, we are members, I believe, of every international commodity agreement which exists. But we have always insisted that these agreements are only fair and workable if they represent the producer and the consumer. We have been invited on several occasions to join agreements on commodities which were merely producer agreements and we have until now hesitated to do so, for reasons I just indicated. We could, I suppose, in special cases consider other actions. But this is our general policy, and, in so far as the minister explained that, he was certainly explaining what has been government policy for some time.

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES AND FORESTRY

Second report of Standing Committee on Fisheries and Forestry—Mr. Béchard.

[*Editor's note: For text of above report see today's Votes and Proceedings.*]

● (1200)

[*English*]

Mr. Stevens: Mr. Speaker, I have given notice of a question of privilege which I should like to raise on Tuesday next with respect to Canadair Limited and vote L20 in the estimates of the Department of Industry, Trade and Commerce calling for the spending of $38.1 million to purchase that company. It is a company which, upon purchase by the federal government, will apparently have no worth and one which has incurred cumulative operating losses of $2.4 million in six years, in spite of having received $21.5 million in grants and $21 million in financing benefits from the federal government. If it is in order, Mr. Speaker, and with your consent, I should like to present my question of privilege more fully on Tuesday.

Mr. Speaker: I have never taken a position which would discourage the practice which the hon. member proposes to follow, that is, to give notice and thus afford other hon. members an opportunity to prepare themselves to participate in discussion. I think, however, that the hon. member ought to put forward at least a description of the nature of his question of privilege. He has mentioned the subject, but its nature has not been elucidated. I think it is in order to let the matter go until Tuesday next in order to allow other hon. members to contribute, but I wonder whether he will now indicate the nature of the question of privilege. We can hear argument on Tuesday.

Mr. Stevens: Yes, Mr. Speaker. I did not want to delay unduly the regular order of business of the House. The question of privilege centres on what took place in the Standing Committee on Finance, Trade and Economic Affairs yesterday. A vote was called for on vote L20, at which time the Committee quorum was lost as a result of certain members on the government side vacating the room. Thus, the regular order of the committee's business could not be proceeded with. In consequence, I believe there will not be an opportunity properly to vote on and review this estimate, and on Tuesday I intend to seek your guidance as to what would be the correct approach for members of the House to take with respect to this unfortunate development.

Miss MacDonald (Kingston and the Islands): I rise on a point of order, Mr. Speaker. It arises from a reply to a question of mine by the Minister of State for Urban Affairs (Mr. Danson) earlier this morning concerning a meeting on May 21 to which I had referred. Since I would not wish the minister, perhaps unintentionally, to leave a wrong impression with the House, I thought he might wish to confirm, or otherwise, that a message did go out from his office today to the effect that the meeting had been postponed indefinitely.

Mr. Danson: Yes, indeed. A message did go out from my office this morning to the effect that the May 21 date was not a convenient one and that I would be in touch shortly suggesting further dates which might be suitable.

CONSUMER PACKAGING AND LABELLING ACT

MEASURE TO ENSURE PUBLIC CLEARLY UNDERSTANDS PRICE OF PRODUCTS FOR SALE

Mr. Max Saltsman (Waterloo-Cambridge) moved for leave to introduce Bill C-390, to amend the Consumer Packaging and Labelling Act.

He said: Mr. Speaker, the purpose of this bill is to ensure that the public is able to clearly understand and see the price on the products they buy and to prevent the price being removed on items that come under the universal product code marking. The bill represents the concern of members of the Kitchener-Waterloo area branch of the Consumers Association of Canada that the removal of

visible prices from items will lessen the consumer's price consciousness and that the universal product code should not be permitted to do that.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,206, 1,327, 1,740, 1,947, 1,959, 1,960, 1,969, 1,971 1,984, 2,024, 2,028, 2,043, 2,067, 2,148, 2,257, 2,285, 2,380, 2,381, 2,441 and 2,465.

If questions Nos. 613, 1,843, 2,274 and 2,345 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions Nos. 2,353 and 2,403?

I ask that the remaining questions be allowed to stand.

[*Text*]

REVENUE FROM FINES COLLECTED IN COURTS IN BANFF AND JASPER

Question No. 1,206—**Mr. Clark (Rocky Mountain):**

1. In the last fiscal year, what was the total revenue from fines collected in courts in (a) Banff (b) Jasper?

2. In the last fiscal year, what was the (a) staff complement (b) total cost of maintenance of the Royal Canadian Mounted Police detachments in (i) Banff Townsite (ii) Banff National Park (iii) Jasper Townsite (iv) Jasper National Park?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Justice and the Solicitor General as follows: 1. The Department of the Attorney General of Alberta informed the Department of Justice that during the past fiscal year they collected (a) a total of $287,811 by court fines in Banff, and (b) there was no revenue from court fines in Jasper. The court at Jasper only became operational on October 1, 1974.

2. (a) (i) and (ii) 26; (iii) and (iv) 13; (b) (i) and (ii) $398,900; (iii) and (iv) $590,590 (includes construction cost of $379,781).

NOTE: There is only one detachment in each area. Each is responsible, under provincial contract, for the policing of both the park and the townsite in their respective areas.

OCEANS POLICY

Question No. 1,327—**Mr. Forrestall:**

1. What specific progress has been made towards Canada achieving "world-recognized excellence in operating on and below ice-covered waters", as enunciated July 12, 1973 in the "New Oceans Policy" statement by the Minister of State for Science and Technology?

[Mr. Saltsman.]

2. Does Canada have any Arctic capability sub-surface vessels capable of unassisted progress in a submerged state for periods of several days or more other than mini-subs and, if so, what are they and on what dates were they built?

3. Does Canada have any surface vessels capable of continuous progress through 7-foot ice and, if so, what are they and on what dates were they built?

4. Will Canada have this degree of excellence by July 12, 1978?

Hon. C. M. Drury (Minister of State for Science and Technology): The following information was obtained in consultation with the Department of the Environment and the Ministry of Transport. 1. The declaration in the New Oceans Policy that Canada shall achieve world-recognized excellence in operating on and below ice-covered waters led to the establishment of an inter-departmental advisory committee concerned with development of the requisite operating capabilities. Extensive consultation by the committee with experts in industry and government has resulted in identification of a series of priorized and integrated ice excellence R&D program requirements which, it is anticipated, will be presented for consideration by Ministers in the near future.

2. Canada does not have any Arctic capability sub-surface vessels capable of unassisted progress in a submerged state for periods of several days or more.

3. Canada does not have any surface vessels capable of continuous progress through 7-foot ice.

4. MOT has awarded a contract for a study which will include the production of specifications and drawings for the construction of an ice breaker capable of continuous progress through 7-foot ice. A decision to build such a vessel has, however, not yet been made and it is thus improbable that a vessel of this type will be available by July 12, 1978.

NON-CANADIAN OWNERSHIP OF CANADIAN MAGAZINE SHARES

Question No. 1,740—**Mr. Herbert:**

1. To the knowledge of the government, how many Canadian magazines have more than 20 per cent but not more than 25 per cent of their voting shares owned by non-Canadians?

2. If during a fiscal year the sale of free shares results in a non-Canadian ownership in excess of 25 per cent is the tax deductibility right of advertisers affected?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Secretary of State and National Revenue as follows: 1. The information is not obtainable except by examination of specific taxpayers' records.

2. Yes.

SUPPLY AND SERVICES—ADVERTISING CAMPAIGN

Question No. 1,947—**Mr. Reynolds:**

1. To date and by province, what has been the cost of the Department of Supply and Services advertising campaign to promote and encourage small businesses to bid on federal contracts?

2. What results are evident in terms of the discovery of new markets where costs might be curtailed?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The Advertising campaign has ended and the cost were identified as follows: British Columbia, $24,109.94; Alberta, $13,951.97; Saskatchewan, $5,447.53; Manitoba, $9,701.70; Ontario, $109,429.86; Quebec, $69,503.35; New Brunswick, $6,435.63; Nova Scotia, $9,572.41; Prince Edward Island, $2,836.14; Newfoundland, $2,801.78; Total $253,790.32.

2. One of the goals of the Department of Supply and Services advertising campaign was to ensure that every Canadian businessman across the country was aware of how to do business with the Department and to assure all taxpayers that it is not a privilege but their right to do business with the federal government. Some 20,000 copies of the brochure "How to Do Business with the Department of Supply and Services" were distributed. The advertisements drew approximately 7,000 responses. Some 800 firms provided positive information which resulted in additions or improvement to our lists of suppliers. Approximately 250 additional firms enquiring about specialized activities in government were referred to the responsible departments. No estimate of the financial benefit accruing from this broader understanding has been possible.

SUPPLY AND SERVICES—SOURCE LIST OF RADIOSONDES

Question No. 1,959—**Mr. Reynolds:**

1. How many companies are listed on the Department of Supply and Services product supply list for the prospective procurement of radiosondes and what are their names?

2. Did the Department aid Sangamo Company Limited, Toronto, Ontario financially or otherwise in their initiative to market radiosondes?

3. Did the Department expect a return share in profits as a result of this endeavour to create another supplier?

4. Did the Department collect a returned revenue from such investment?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Seven companies. Aviation Electric Ltd., St-Laurent, P.Q.; Leeds and Northrup (Canada) Ltd., Rexdale, Ontario; Electrodesign Ltd., Montreal, P.Q.; Topping Electronics Ltd., Scarborough, Ontario; General Instrument of Canada Ltd., Toronto, Ontario; Conway Electronic Enterprises Ltd., Weston, Ontario; George Kelk Ltd., Don Mills, Ontario.

2. No.

3. Not applicable.

4. Not applicable.

WATER-CHILLER UNITS

Question No. 1,960—**Mr. Reynolds:**

1. What is the difference between water-chiller units as contracted from the Trane Company, Calgary, Alberta on August 15, 1974 and December 11, 1974?

2. What was the difference in cost per unit?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The two procurements are separate parts of the heating/diagonal cooling system of the new Calgary Airport Project. The first covers two central water chillers required to chill a continuous supply of cooling water which is then distributed throughout the project for use in heat exchangers purchased under the second contract in question. The second contract is for a number of heat exchangers, each consiting of a blower and a liquid-to-air heat exchanger to transfer heat from hot water to the air in a local position, or to chill the air in that same position.

2. The water chillers were two in number at $63,338 per unit. The heat exchangers were thirty-one in total number of four models at unit prices of $35,206 (4), $22,846 (12), $15,507 (10) and $10,373 (5). These contracts were awarded on behalf of the Ministry of Transport.

CONTRACT AWARDED TO SPAR AEROSPACE PRODUCTS LTD—COST EVALUATION BREAKDOWN

Question No. 1,969—**Mr. Reynolds:**

What is the cost evaluation breakdown relating to the contract awarded July 9, 1974 to Spar Aerospace Products Ltd., Toronto, Ontario for a total value of $7,604,000?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The contract concerns the acquisition of spare parts for the constant-speed accessory drive, overhauled for DND by Spar for a number of years. It was designed specifically for DND's Argus Aircraft by Sundstrand Aviation Corporation, Rockford, Illinois and this arrangement is not used on any other aircraft. This contract covers the first year of a two year acquisition program to provide maintenance spares sufficient for a period of four years commencing 1 April 1975 at an estimate cost of $14,560,000. The cost is based on unit prices established by Sundstrand and negociated downward to reflect the advantages available from volume manufacture. This bulk procurement program was initiated and negotiated with Spar to avoid the large cost escalation which began to be experienced under annual procurements. The contract was issued in July 1974 to authorize purchase of raw material required for this new provisioning program. Under DSS guidance, the agreement drawn up between Spar and Sundstrand provides for a quarter share of the manufacturing to be performed in Canada and limits the allowable cost escalation to 6 per cent annually over the program period.

SUPPLY AND SERVICES—INFORMATION DISPLAY SYSTEMS

Question No. 1,971—**Mr. Reynolds:**

1. What are the distinguishable characteristics within two contracts awarded for information display systems to Leigh Instruments Ltd. and I.P. Sharp Associates, Ltd., Carleton Place, Ontario?

2. What is the difference in design and cost of the two systems?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Leigh Instruments Ltd.—Flight Information and Display System: This is a computer-based system, with multiple displays, for use in the new Montreal International Airport. It will provide the travelling public with information on flight arrivals and departures and baggage claim information; I.P. Sharp Associates Limited—Operational Information Display System: This is an Air Traffic Controller Operational Information Display System. Systems will be installed in Air Traffic Control Centres across Canada. The Controllers will be provided information on meteorological conditions and other data concerning the runway status.

2. The Flight Information and Display System consists of a central processing complex (computer), television type displays, electro-mechanical displays, operator controls, interactive terminals and various input devices, located throughout the passenger terminal. Cost: $1,416,-316. The Operational Information Display System will be a computer based system, capable of automatic retrieval of data from meteorological and miscellaneous status sensors providing information such as wind direction and speed, runway visual range, altimeter settings and weather sequences. Keyboard input stations will be available for entering information such as gate assigmnents, runway and field conditions, etc. The computer processing subsystem will supply suitably arranged display data to a number of television type screens. Cost: $1,873,830. These contracts were awarded on behalf of the Ministry of Transport.

CONTRACT AWARDED TO MALLORY BATTERY CO., MISSISSAUGA, FOR BATTERIES

Question No. 1,984—**Mr. Reynolds:**

1. Was a contract awarded to the Mallory Battery Co., Mississauga, Ontario for 29,000 BA 3386 batteries at a cost of $24.59 per battery?

2. Did the battery replace the BA 386 battery which cost between $2.80-$3.30 per unit?

3. Are there any other countries using the same type of battery for their walkie-talkie units?

4. To the knowledge of the government, did the US forces refuse to use this battery?

5. What is to be done with the large inventory of BA 386 batteries and accessory equipment?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and National Defence as follows: 1. Yes.

2. Yes, the BA3386 replaced the BA386 battery. However, prices tendered for the BA386 in mid-1974 ranged from $4.29 and $7.26. The BA3386 battery is an alkaline type battery which is impervious to changes in temperatures and has a shelf life of three years. The BA386 battery is made of zinc carbon and has a shelf life of one year. This battery can only be used in summer and requires temperature controlled warehousing. In winter, the BA398 battery is used. This battery is carried in a vest which is worn by the operator to keep the battery as warm as possible. Thus, the BA3386 battery replaces both the BA386 and BA398. In addition to being more reliable and outperforming the BA386 an estimated 7 to 1, the BA3386 offers a decided logistic advantage. Because of its greater shelf life and all-climate capability, only one battery is needed and less warehousing is required because the requirement is less. Warehousing may be general in nature instead of one requiring temperature control. The BA386 requires protection from heat during transportation to the theatre of operations.

3. Yes, two countries currently have the BA3386 undergoing field trials and at least three other countries have expressed interest.

4. No.

5. As of April 1, 1975 a total inventory of 4,019 BA386 batteries was held by Bases, Stations and Units to support daily requirements. This quantity represents approximately a six week supply based on last years consumption.

[Mr. Goyer.]

SUPPLY AND SERVICES—CONTRACTING OUT

Question No. 2,024—**Mr. Reynolds:**

1. With respect to the Minister of Supply and Services' stated intentions as outlined November 15, 1974 through a departmental press release, will the Minister further describe the new dimensions of the proposed purchasing effort by the government to shift work out of government into the private sector?

2. How is the mobility between private and public sector employees to be encouraged?

3. What are the established guidelines proposed to disabilitate central purchasing authorities in favour of building purchasing wings at the local and regional levels?

4. What is to be the effort to help small businessmen through increased information and most of all through an equal opportunity to do business with the government?

5. What is the amount of money regional offices are allowed to allocate on contracts placed under the title of "single competitive purchases"?

6. What is the amount of entitlement on contracts described as "non-competitive purchases"?

7. Are there plans indicating the respective dollar amounts will be increased to enhance the independence of the regional office?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. In FY 1973-74 the Department of Supply and Services purchased, on behalf of the federal government, goods and services from the private sector totalling $1.6 billion. In the November 15, 1974, press release it was stated that the application of the make or buy policy in government would result in increased contractual activity with industry. In support of this statement several impressive DSS examples were cited. They were: the close-out of the departmental computer services bureau effecting $9 million (100 per cent) increase in awards to the private sector since 1970; an increase to 63 per cent in government printing requirements let to private concerns and the implementation of R&D buys from industry. The latter has resulted in awards of $33 million since January 1973. Though these examples tend to be the most impressive, the Department has sought to identify all areas where the application of the buy decision would be advantageous to government and industry. Hence, in such output services as Maintenance and Repair of federally-owned assets; security services especially guard contracting and the procurement of design and artwork, the level of awards to commercial organizations has been visibly increased and this trend is expected to be maintained into the future.

2. The Department of Supply and Services has sought to increase the mobility of private and public sector employees in several ways: (a) The Department supports the Public Service Commission program which provides for an executive interchange between industry, universities, and other governments, and the Federal Public Service. (b) An applicant inventory of qualified purchasing officers from industry is updated on a regular basis to enable DSS to recruit high-calibre employees at an officer level. (c) The Department conducts industry briefings thereby establishing a greater visibility to non-government employees of activities and programs sponsored by DSS.

3. (a) When a requisition originates in a region, the policy is to solicit bids in the region if there are enough suppliers in that region to insure competition. (b) With respect to Headquarters purchasing the policy is that when the final point of use for the product is in the Atlantic or Western provinces, purchases are made from suppliers in these regions provided that total PROC cost (Product, Resource, Operating and Contingent Cost) to the government cannot be reduced by using alternative Canadian sources. All national requirements including those for the National Capital Region are solicited from suppliers throughout Canada. (c) The Government's program for contracting out research and development work provides that contracts should be let so that the resulting industries will be established throughout the various regions of Canada.

4. The following practices of the Supply Administration are intended to assist firms in identifying and obtaining contracts or sub-contracts: The publication of a Weekly News Release of Business Opportunities of Unclassified Contracts over $10,000 and the public opening of tenders for requirements over $10,000 provide information to any interested parties on current contracts, some of which contain sub-contracting opportunities. Smaller firms whose government contracting potential is likely to be limited to the sub-contract level are referred to the purchasing branches of the Department to obtain information on current acquisitions. The Department is increasing its effort to inform potential prime contractors on the general requirements of government contracting procedures including their application to the sub-contract level. Referrals are made to customer departments of those firms who may handle specialized requirements. Liaison is maintained with DREE and ITC local representatives to keep them informed of anticipated acquisition programs. From time to time, conferences are conducted to inform prime and sub-contractors of our requirements (e.g. Operation Access, Electronics and Data Processing Conferences). The recent country-wide advertising campaign in newspapers and periodicals was another instrument to inform industry about the role of DSS, our policies and practices and how businessmen can become potential sources of supply for government requirements. Over 20,000 copies of our explanatory brochure "How to Do Business with the Department of Supply and Services" have been distributed. As a result, we have received many requests for copies of our Weekly Bulletin of Unclassified Contracts for more than $10,000 which we offered in the booklet as a useful tool in identifying sub-contract possibilities. The Supply Administration maintains a liaison with suppliers both at the prime and sub-contract levels by answering verbally or in writing, approximately 1,600 enquiries per month. These involve explanations of DSS purchasing policies, practices and procedures and outlining services which are available from DSS. Discussions are held with representatives of firms to ensure adequate listing of their capabilities so that they can do business with DSS to their fullest potential. Our Printing Products Branch has initiated a system whereby urgent requirements are posted on bulletin boards in all our Regional Offices. This permits more equitable opportunity for suppliers across Canada to compete for government printing business. The increased usage of Standing Offers permits suppliers of such items as automobiles, typewriters and pharmaceuticals to disseminate contracts to their outlets at the local level, thus enabling the small businessman to have greater participation in government procurement.

5. $100,000.

6. $50,000.

7. This is now under consideration.

CFB FOYMOUNT

Question No. 2,028—**Mr. Reynolds:**

1. What conditions were posed as part of the tender procedure for bids received concerning the disposal of CFB Foymount by CADC?

2. What general conditions apply for disposal of Crown-owned assets, particularly property, within invitations to tender?

3. Was the sale of CFB Foymount pursuant to such general conditions posed by CADC?

4. Were there any changes in the rules to bid after tenders were first requested?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: 1 and 2. The Conditions of Sale are contained in the copy of the Offer for Sale of CFB Foymount tabled in answer to Question No. 2,025.

3. Yes.

4. No.

DEPARTMENT OF COMMUNICATIONS—PARLIAMENTARY RETURNS OFFICE

Question No. 2,043—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Communications?

Hon. Gérard Pelletier (Minister of Communications): There is no Parliamentary Returns Office as such in the Department of Communications. Parliamentary returns are handled on a part time basis by the Administrative Assistant in the Office of the Deputy Minister, assisted by a secretary of that office.

DEPARTMENT OF VETERANS AFFAIRS—PARLIAMENTARY RETURNS OFFICE

Question No. 2,067—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Veterans Affairs?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): There is no Parliamentary Returns Office as such in the Department of Veterans Affairs. Parliamentary returns form part of the duties of the General Services Division.

CANADIAN GOVERNMENT SPECIFICATIONS BOARD

Question No. 2,148—**Mr. Reynolds:**

1. (a) Is the Canadian Government Specifications Board efficient to the extent that they have a minimal backlog of requests for specifications (b) what central body is charged with the responsibility for

screening such requests (c) approximately how many specifications are awaiting approval?

2. Is there a priority list of items that imperatively require specifications?

3. What is the cost of maintaining the specifications system?

4. Are the savings in purchasing cost offset by increases in the cost of maintaining the specifications system?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. (a) Yes; (b) Requests for specifications are investigated by the CGSB Secretariat in accordance with well defined procedures. (c) As of April 21, 1975, 20 CGSB standards are awaiting Board approval.

2. The work program which is developed annually represents the list of priority items.

3. The budgeted CGSB costs for fiscal year 1975-76 are approximately one million dollars.

4. Specifications are intended to achieve savings in terms of the total supply cost that includes purchase cost, resource cost, operating and contingency costs. Only those specification projects that appear to offer a favorable benefit-cost relationship are undertaken. This process is considered to provide adequate assurance that the total cost savings are significantly greater than the cost of maintaining the specifications system.

FOREIGN TEXTBOOKS IN FRENCH LANGUAGE

Question No. 2,257—**Mr. Herbert:**

1. With reference to the answer to Question No. 1,342, was consideration given to the percentage of foreign textbooks in the French language that are used at the elementary and secondary school levels?

2. Is the Department of the Secretary of State considering means of encouraging an increase of domestically produced textbooks?

Hon. James Hugh Faulkner (Secretary of State): 1. No.

2. The Department of the Secretary of State is of the opinion that textbooks for use in Canadian schools should to a large extent be written by Canadians, and that the field of educational publishing should be occupied to a considerable extent by Canadian-owned publishing houses. To this end, the Department would like to see the provincial governments, which are responsible for matters pertaining to school curricula, treat Canadian publishing houses in a way which would allow them to develop their potential in this field.

PILGRIMAGE TO ITALY TO VISIT WAR CEMETERIES OF WAR DEAD

Question No. 2,285—**Mr. Marshall:**

What are the names and addresses of the 24 young men and women who have been selected from each province to participate in the pilgrimage to Italy to visit the cemeteries of war dead?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Wayne Payton, St. John's, Newfoundland; Jacqueline Ryan, St. John's, Newfoundland; Martin Morrison, Flat River, Prince Edward Island; Christine Shepherd, Cardigan, Prince Edward Island; Colleen Middleton, L'Ardoise, Nova Scotia; Anthony Olender, New Glasgow, Nova Scotia; Catherine Gillespie, Moncton, New Brunswick; John Kerrigan, Fredericton, New Brunswick; Gerald L'Archer, Québec, Quebec; Anthony Pollard, Montreal, Quebec; Rosslyn Whiteside, Montreal, Quebec; John Bennet, Port Colborne, Ontario; Denis Chartrand, Ottawa, Ontario; Candace Collins, Rexdale, Ontario; Helen Beattie, Winnipeg, Manitoba; Curtis Phillips, Winnipeg, Manitoba; Lois Barton, Saskatoon, Saskatchewan; Trevor Lowe, Moose Jaw, Saskatchewan; Marion Henry, Sundre, Alberta; Leonard Lay, Morrin, Alberta; Bryan Brimacombe, Oliver, British Columbia; Evelyn Whitfield, Burnaby, British Columbia; Hugh Charlie, Whitehorse, Yukon Territory; Mona Paquet, Whitehorse, Yukon Territory; Carol Villeneuve, Yellowknife, Northwest Territories; Heather Wishart, Inuvik, Northwest Territories.

*DELAY OF TENDERS IN MAIL

Question No. 2,353—**Mr. Dinsdale:**

1. Did the Department of Supply and Services issue an order assuring that tender bids delayed in the mail will be included in the competition and, if so, on what date?

2. How many tenders have been delayed in the mail during the past five fiscal years?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The answer is as follows: 1. The Department of Supply and Services issued an information bulletin concerning delayed bids as an attachment to Invitations to Tender in June 1974. This bulletin stated that delayed bids mailed in Canada, at least 48 hours prior to the designated closing time and date or mailed outside Canada at least 96 hours prior to the designated closing time and date, would be considered if they were received by the Department prior to contract award.

2. No statistics concerning delayed tenders have been kept for this period.

CONTRACT FOR FIBREGLASS RESEARCH SHIP

Question No. 2,380—**Mr. McKinnon:**

1. Did the government recently award a contract for $280,000 for the construction of a fiberglass research ship?

2. Was the contract put to tender and, if not, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. A contract was awarded in the amount of $278,-849.92 for construction of a 40 foot, fibreglass, fishery research vessel, on behalf of the Department of the Environment.

2. Tenders were called in the west-coast region of Canada, where the vessel is to operate.

STEEL GILL NET FISHING BOATS

Question No. 2,381—**Mr. McKinnon:**

1. What bid price was accepted by the government for the construction of a number of steel gill-netting boats, 27'2" long, Department of Supply and Services file LC-A-2762-5-0003?

2. Was the lowest bid accepted and, if not, for what reason?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. The second low bid in the total amount of $57,800 for the four boats was accepted.

2. Lowest bid was not accepted, as the company could not meet the technical requirements. The lowest tenderer

subsequently withdrew his bid. This contract was placed on behalf of the Department of Indian Affairs and Northern Development.

*NATIONAL DEFENCE—ORDERS AND BADGES

Question No. 2,403—**Mr. Forrestall:**

Will the Minister of National Defence give consideration to personally reviewing the orders that went to members of the Canadian Armed Forces to the effect, that members who were previously authorized to retain their pre-unification rank designation and who concurrently retained their pre-unification element/service badges are now to be required to wear badges representing the occupational classification while concurrently being permitted to retain their pre-unification rank designation and, if not, for what reason?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the answer is as follows: 1. Dress instructions issued on April 3, 1970, stated that the cap badge associated with the class of service to which officers and men are assigned, was to be worn when the badge became available.

2. Cap badges in general use at that time were authorized to continue to be worn during the intervening period.

3. During this intervening period that is from April, 1970 to the present time extensive discussions with personnel at all levels were held and, cap badges in some cases were designed, and in all cases were approved by all groups concerned.

4. There is every indication that servicemen and women wish to be identified with the particular type of military duty in which they are engaged, and that the new cap badges are being worn with pride.

CUSTOMS HIGHWAY SUFFERANCE WAREHOUSES

Question No. 2,414—**Mr. Dick:**

How many licenced sufferance warehouses were authorized to be in existence by the Department of National Revenue for each year (a) 1950 (b) 1960 (c) 1970 (d) 1971 (e) 1972 (f) 1973 (g) 1974?

Hon. Ron Basford (Minister of National Revenue): The following is the number of Customs Highway Sufferance Warehouses which were in existence during the years specified: (a) None. (b) 48. (c) 139. (d) 143. (e) 148. (f) 154. (g) 157.

PUBLIC SERVICE EMPLOYEES

Question No. 2,465—**Mr. Clark (Rocky Mountain):**

1. Does the government know the names of individuals who worked in the Office of the Prime Minister, in the Privy Council Office or as a Research Assistant, Special Assistant or Executive Assistant, in or for the office of any Minister or Minister of State from 1963 to the present?

2. What is the (a) name (b) position (c) job description of each of those individuals who are presently in the Public Service or employed by (i) Atomic Energy of Canada Limited (ii) the Bank of Canada (iii) the Canada Council (iv) the Canadian Broadcasting Corporation (v) the Canadian Commercial Corporation (vi) the Canadian Dairy Commission (vii) the Canadian Film Development Corporation (viii) the Canadian International Development Agency (ix) the Canadian Radio-Television Commission (x) the Canadian Transport Commission (xi) the Canadian Wheat Board (xii) the Central Mortgage and Housing Corporation (xiii) the Office of the Chief Electoral Officer (xiv) the Defence Research Board (xv) the Economic Council of Canada (xvi) Eldorado Nuclear Limited (xvii) the Federal Court of Canada (xviii) the Food Prices Review Board (xix) the Foreign Investment Review Agency (xx) the Fresh Water Fish Marketing Corporation (xxi) Information Canada (xxii) the National Capital Commission (xxiii) the National Energy Board (xxiv) the National Farm Products Marketing Council (xxv) the National Film Board (xxvi) the National Gallery of Canada (xxvii) the National Harbours Board (xxviii) the National Research Council of Canada (xxix) the Representation Commissioner (xxx) the Science Council of Canada?

Hon. Mitchell Sharp (President of the Privy Council): See reply to question number 782 answered on May 1, 1975.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

LIP—PROJECTS IN CONSTITUENCY OF WESTMOUNT, QUEBEC

Question No. 613—**Mr. Cossitt:**

1. What was the total amount of money allocated under the Local Initiatives Programme for 1973-74 in the constituency of Westmount, Quebec (a) what are the names of all projects involved along with their addresses and the names and addresses of those signing the applications (b) in each case what is a detailed description of the actual project, specifically including the functions performed under the project?

2. What are the names and addresses of all persons or organizations who recommended each project in any manner whatsoever to the Department?

Return tabled.

NEW HORIZON GRANTS

Question No. 1,843—**Mr. Hogan:**

By year for each constituency, since its inauguration, what were the expenditures in New Horizon grants?

Return tabled.

UN EMERGENCY FORCE AND UN DISENGAGEMENT OBSERVER FORCE

Question No. 2,274—**Mr. Stanbury:**

As of March 31, 1975 (a) what amount was owing by each country in arrears of payment of the special United Nations assessment for maintenance of the UN Emergency Force and the UN Disengagement Observer Force in the Middle East (b) how much has Canada received on account of its contributions to these forces (c) what amount is owing to Canada on this account?

Return tabled.

SERVICEMEN REGISTERED RETIREMENT SAVINGS PLAN

Question No. 2,345—**Mr. McKinnon:**

Did National Defence Headquarters survey 144 financial institutions in Canada before one was selected as the trustee for the Servicemen's Registered Retirement Savings Plan and, if so (a) what were the names and addresses of those surveyed (b) what was the cost of the survey and what firm did the survey (c) how many actuaries were employed in the survey?

Return tabled.

Salaries Act

GOVERNMENT ORDERS

[*English*]

SALARIES ACT

AMENDMENT TO INCREASE SALARIES OF LIEUTENANT GOVERNORS

The House resumed, from Thursday, May 15, consideration of the motion of Mr. Sharp that Bill C-24, to amend the Salaries Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Les Benjamin (Regina-Lake Centre): Last night, Mr. Speaker, I began my remarks in response to an invitation by the Leader of the Opposition (Mr. Stanfield) to take part in the debate.

An hon. Member: That was a mistake.

Mr. Benjamin: I was glad to accept the hon. gentleman's invitation. The interjections which I made in the speech by the Leader of the Opposition came after he had made some remarks about not picking on one or more groups, such as lieutenant governors, judges or members of parliament, and singling them out when it comes to restraint. I interjected then, and I repeat now, that it is a little difficult to feel any concern about increases for people who are getting $25,000, $35,000 or $45,000 a year.

It is even more difficult to accept or even listen to anyone attempting to justify percentage increases in incomes at those levels, increases which in real dollars reflect incomes for those categories far in excess of what is necessary or desirable. The same percentage increases for people with incomes less than $12,000 or $13,000 a year would be meaningful. I submit they are excessive and somewhat obscene for people earning between $25,000 and $50,000 a year.

● (1210)

The Leader of the Opposition said that he was getting a little tired of the talk of the hon. member for Winnipeg North Centre (Mr. Knowles) about restraint, and that he would like to see us support some program of restraint. The hon. member for Winnipeg North Centre, the hon. member for Oshawa-Whitby (Mr. Broadbent), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and others of this party have put forward proposals on quite a few occasions during the last two years. The fact that some hon. members chose not to listen to them or reply to them cannot be blamed on us.

I remind the House, particularly the Leader of the Opposition, that we have been saying for quite some time that there has to be restraint. But we have submitted in the past, and we submit again, that the restraint has to start at the top, not at the bottom. It is obscene, or at least unseemly for members of parliament to sit in this place and propose increases for high income groups while urging low income earners and people on fixed incomes in Canada to show restraint.

The Minister of Finance (Mr. Turner) was complaining the other day that wages and salaries represent 70 per cent of total income in Canada so obviously, in his terms, this was a major sector of the economy to show restraint. But he conveniently omitted the fact that this 70 per cent includes high income earners such as executives, judges, senators and members of parliament, lieutenant governors, lawyers, doctors and other professionals, engineers, and so on, all of whom earn incomes ranging between $25,000 and $75,000 a year. This is the area where restraint must be exercised. As far as we are concerned, people earning $6,000, $8,000 or $10,000 per year are entitled to all the increases they can get, if for no other reason than to bring about a greater measure of equality in this society.

We have had recently statistics showing that a family of five people—husband, wife and three children—on an income of less than $15,000 a year in the city of Toronto is not going to make it. Such a family will not be able to meet the price of housing, food and other necessities of life if they live in a city like Toronto. Yet we have the gall—when I say "we", I should say the government and members of the official opposition—to suggest that people in such income categories and even lower should show restraint. They then try to plead, on behalf of themselves as members of parliament, on behalf of judges, and now on behalf of lieutenant governors, that increases ranging from 20 per cent to 90 per cent are justified. This is sheer nonsense.

When the Liberals and Tories talk about restraint for the poor, it reminds me of days of old when peasants were supposed to stand by the roadside and doff their caps and touch their forelocks as dukes, earls and lords rode by. Today they drive by in their Cadillacs and Lincoln Continentals on their way to open parliament, or to the courthouse, or even on their way to the House of Commons.

If the Minister of Finance, the government and the members of the official opposition think for one moment that ordinary, average Canadians will hold still or accept the pleadings and urgings of restraint while we pass Bill C-44, Bill C-47, Bill C-24, and Bill C-23 still to come, then they are kidding themselves. The public will not accept it because it is unfair. It is so basically unfair that one would think no member of this chamber would have the nerve to put forward legislation of this kind while asking the poor to show restraint.

I would have been more inclined to support a pay raise for parliamentarians had we first done something about increasing the old age pension. We were able to get the reluctant acceptance of the government to tie old age pensions to the cost of living, but the problem with this is that the percentage is based on too low a basic amount. This country can afford to double the basic old age pension right now. It would not be inflationary. The people on old age pensions and low incomes are not the ones who cause inflation. Not only are they not the ones who cause inflation, but they are the first victims of it.

People on salaries between $25,000 and $75,000 a year can look after themselves quite nicely, thank you. To grant them a 20 per cent, 30 per cent or 40 per cent increase is totally unjustified. I hear it pleaded on behalf of lieutenant governors that they have not had an increase for 12 years. Something which was conveniently not mentioned last night is the fact that none of them has been there 12 years. In fact, I do not think any lieutenant governor has held his appointment for more than five years. They serve a five-year term and, once in a while, a year or two extra.

In nearly all cases, if not in all cases, they are usually people of substantial means in their own right. They do not accept lieutenant governor appointments as a way of making a good living, and it would be an insult to any lieutenant governor even to suggest that. That is not why they accept the honour of such an appointment. Most of them, as I say, if not all, are already of substantial means and standing in the community.

The government is suggesting a 12 per cent increase, or $2,400, whichever is the lesser, per year in order to show restraint. If this is applied to lower income people, then I submit 12 per cent is too high for people of high income. A 6 per cent increase for judges, MPs and lieutenant governors, in real dollar terms, is as much or more than a 12 per cent increase would be for someone earning between $8,000 and $12,000, such as a steelworker in the city of Regina. Surely that apportionment is fair.

For many years I have objected—I am critical of the trade union movement in this regard as well—to the continual percentage increases, across the board, that have been made which mean that the spread between low incomes and high incomes becomes even wider. It is high time that the trade union movement started to bargain for their members in terms of cents per hour or dollars per week or per month, rather than in terms of percentage spread.

It seems to me it is even more incumbent upon parliament and the business community, when arranging the salaries and expenses, prerequisites and prerogatives of their executives, judges, lieutenant governors, members of parliament and senators—people already in the high income brackets—to say that if 12 per cent is enough for an $8,000 to $10,000 a year steelworker, then 4 per cent is more than enough for the vice-president of the steel company. But no, he will get the same increase as the low income earners in his own company. We are seeing increases that are in excess, in terms of total dollars, of what is seemly and fair compared to what the overwhelming number of Canadians have to live on.

We have been saying for some years that restraint has to come about in many forms. We have been pleading for a prices and incomes review board that has teeth and the backing of this parliament as well as the confidence of the people of this country. Then any increase in professional fees or prices of steel products or other major commodities would have to be submitted to the board and justified. Any increases they could not justify would not be allowed, and any increases in excess of what could be justified would be rolled back. We have to be fair: any modest increase that could be justified or proven necessary would be allowed.

● (1220)

I am sure that if the board had that kind of authority and the backing of this parliament, it would also have the confidence and the trust of the people of Canada. Instead of that, we have a board that has no power and no authority; it is limited to food prices only. The way the government set up this board ruined a good idea because the government went only part way.

We have been urging a fair tax system because the low and middle income people of this country are still paying a disproportionate share of the tax bill. In comparison with the high salaried people and corporations, the low and middle income people are still carrying the greatest portion of the tax load of this country. We have an unfair tax system. Surely this is an area in which we could show some restraint so that those who need should get, instead of those who have been getting it all.

We have been urging a two-price system in respect of many commodities. If a two-price system is logical and proper for wheat and oil, and we in this party think it is, it is equally logical and proper in respect of all other grains, lumber, steel products, chemicals, fertilizers, farm machinery and trucks. Instead of that, we are telling our low and middle income people to show restraint, and we are requiring them to pay phony international prices that bear no relationship whatsoever to the cost of producing the product and moving it to their homes.

Until about a year and a half ago we were paying unrealistically high prices for lumber products, not because it cost that much to produce the lumber in British Columbia, Ontario and Quebec, but because those were the prices industry could get on the international market. The Canadian consumer was stuck with the same international price. Why should we have a two-price system just for wheat and oil? If we want to reduce the demand for increased wages and salaries by many Canadians, we must do something about what it costs them to obtain a decent home. There must be a program of selective controls on basic industry. We must not only have a two-price system in respect of basic commodities but we must have selective controls, and I think again of steel and forest products.

The Liberals and Tories talk about the fight against inflation, but when they come out with proposals like those in bills C-44, C-47 and C-24, to me this is just talk and nothing else. When the economy gets really bad, the government will act, supported by the official opposition. When the government acts, it will act against the old age pensioners and others on low and fixed incomes. The government will tell them they are getting too greedy, they are too well off and they will get increases of more than 12 per cent or $2,400 a year. The government will pick on the overwhelming majority of people in this country; that is my prediction. This government talks about fighting inflation and showing restraint, but it is only talk and it only applies to people other than judges, members of parliament, senators and lieutenant governors: it does not apply to corporation executives or professional people.

I did not hear the Minister of Finance complain about the increases that have been taken in the past year and a half by the medical profession in the ten provinces. They have been increasing fees by 10 per cent, and 10 per cent on $70,000 for a doctor is a pretty nice increase. I should think that 3 per cent or 4 per cent would have been plenty. They have been taking successive increases of 5 per cent to 10 per cent, just the same as the lawyers, engineers, accountants and architects, all of whom got their increases without having to bargain. They never had to ask anyone's permission, yet all their incomes have been rising rapidly. They are all in the upper-middle or high income levels. No one has said a word about showing restraint in relation to those professionals. We did not hear a word in this regard

from the Minister of Finance or from the Leader of the Official Opposition.

Let me remind hon. members of the increase in corporate profits, especially in 1974. In the last few months we have heard a lot of weeping and wailing about corporate profits falling. There has been a great gnashing of teeth in this regard, but let me suggest—

The Acting Speaker (Mrs. Morin): Order, please. I have listened very attentively to the hon. member and I am wondering whether he is still speaking on Bill C-24. Perhaps he could limit his remarks to that bill.

Mr. Benjamin: Madam Speaker, I am arguing that increases in incomes such as those proposed in Bill C-24, and as proposed in bills C-47 and C-44, are unjustified. The Minister of Finance and the Leader of the Opposition talked about restraint, but they did not show any restraint in respect of those bills. The Leader of the Opposition did not say a word about restraint in respect of Bill C-44. It seems to me that anything we do in the way of restraint should apply to Bill C-24, and should have applied to Bills, C-47 and C-44. It should also apply to Bill C-23 when it comes before the House. I could get up and make the same speech again on Bill C-23 if necessary, Madam Speaker.

How can members sit here and support the increases we are suggesting for lieutenant governors and what we did for judges, MPs and senators, and not do anything about the incomes of corporate executives, and corporate profits, while at the same time supporting restraint for all others? How can they do that and expect the public to believe them or have any confidence in them when they speak about restraints, particularly when they know at the outset that they are unfair. The people know that those who already have are the ones who get more and the ones who will not be affected by restraints, or at least they will be affected to a very minor extent by any government program of restraint and control. If the government does resort to mandatory controls, then those who already have been given more through bills C-44 and C-47, and will be given more by bills C-24 and C-23, will not be affected: they will already have their increases. The ones who have not received increases will be hit by these controls whether they are voluntary or mandatory.

The people on low and middle incomes are the ones who will be told not to ask for more or not to ask for too much. They are the ones who will be told to ask for just a little bit. The ones who are getting $10,000 to $12,000 a year, with a wife, three kids and mortgaged up to the eyeballs, will be told not to ask for more. This is intrinsically unfair, yet the Leader of the Opposition acquiesced supinely to bills C-44, C-47, and now C-24. I find this incomprehensible. I would suggest to the Leader of the Opposition that he read the remarks of a member of his own party, the right hon. member for Prince Albert (Mr. Diefenbaker). I will say nothing more on that subject.

To show how callous the Minister of Finance is, the only defence he made in response to criticisms about these huge increases was that the timing was lousy. If that does not reflect real disregard for the people on pensions and low and fixed incomes in this country, I do not know what does. Not only was the timing lousy; the amounts were lousy. The increases for lieutenant governors in this bill are being justified to us on the basis that they have not had an increase for 12 years. It is said that if you work the increases out on a percentage basis over the 12-year period, they are reasonable. One could do that with an increase in the income of John D. Rockefeller or E. P. Taylor; you could say that because they have not had an increase for 12 years, 1 per cent would be justified—but 1 per cent of tens of millions of dollars is quite an increase.

Another point that is bandied about is the percentage increase. If the increase is 12 per cent of $35,000 or $55,000, that is a different ball game compared to an increase of 12 per cent of $10,000 or $12,000. It is suggested that an increase in salary to $35,000, $40,000 or $45,000 for judges is not too much because when you work it out on a percentage basis over a four or five-year period, it only comes to about 12 per cent per year and that is within the suggested restraint guidelines. They do not talk much about 12 per cent of what. It works out to an increase of $15,000 a year. That is as much, or more, than the majority of wage earners in this country earn in a whole year. That is how much the increase is for the first year.

● (1230)

I agree with the point made by the hon. member for Winnipeg North Centre, the Leader of the Opposition and the President of the Privy Council (Mr. Sharp) about the respect due to people who hold positions such as that of lieutenant governor or judge in our country. But I suggest those people are of such a calibre that they should be the first to say, if there is a sacrifice to be made, restraint to be shown and leadership to be given to all our population, they should be first in line, instead of asking the workers of Canada and pensioners to be first in line when it comes to exercising restraint. We should be saying to the corporate executives, the professionals and others that they, corporate profits and interests rates should be first in line in respect of restraint and controls. We should start at the top and work down. We should have a little more equality and decency in this society, instead of sitting here mouthing restraint and talking about fighting inflation which ends up as a fight against the poor.

We are dividing our people even more by helping those at the top and decreasing the opportunities of the low and middle income people to own decent homes. The whole attempts of the government to arrive at a program to fight inflation that would have the support and co-operation of the provinces, the municipalities and the public at large is shot full of holes by the succession of steps that have been taken in the past year. The four bills I have mentioned are just four of those steps. There is the constant rise in interest rates in respect of homes, the unconscionable program which instead of getting more houses built is getting fewer houses built, and the attack on the people who are unemployed as well as the failure to increase pensions.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member again, but I am afraid he is straying from the subject matter of the bill. May I remind the hon. member that Standing Order 35 states that no member may reflect upon any vote of the House except for the purpose of moving that such vote be

rescinded. The remarks of the hon. member in respect of Bill C-44 are not in order under this Standing Order.

Mr. Benjamin: Thank you, Madam Speaker. I am referring not only to Bill C-44 but also Bill C-24, Bill C-47 and Bill C-23. I thought that Bill C-44 and these other bills were good examples of what we have in Bill C-24. They are four examples of the government's attempts to restrain and fight inflation not being worth the paper they are written on. I ask, Madam Speaker, what is the difference? One could refer at length to the income proposal for lieutenant governors, but I do not see much difference in that and what the percentages are from what was proposed for judges and MPs. I thought we should broaden it out a bit and be fair. There is also the case of moonlighting teachers and the salaries of professors. I think the kind of income university professors have been getting is disgraceful when they have been drawing up all kind of plans designed to help the poor. Bill C-24 is not deserving of passage, just as all the others.

I am saddened and disappointed by the position taken by the Leader of the Opposition and his casual way of passing this off, even though he was in favour of controlling prices and incomes in the past two or three years, as though it is something we do not need to worry about because one cannot just pick out lieutenant governors, and so on. I repeat, and I shall close with these comments, that we should not be increasing the salaries of those who are in the $25,000 to $75,000 income bracket, because surely this is where you start if you want to do something about inflation. Surely they are the kind of people who should be setting the example and leading the way.

The Acting Speaker (Mrs. Morin): Is the hon. member rising to ask a question?

Mr. Francis: I rise on a point of order, Madam Chairman. I should like to refer to section (1) of Standing Order 31 which says that unless otherwise provided in the Standing Orders, no member may speak for more than 40 minutes at a time in any debate. The hon. member has spoken for more than 40 minutes.

Mr. Benjamin: Madam Speaker, I assumed that you knew what you were doing. I realized that my time was almost over.

The Acting Speaker (Mrs. Morin): Order, please. The record shows that the hon. member has not passed the 40-minute limit.

Mr. Francis: Madam Speaker, the hon. member began his speech last night. I have watched carefully, and certainly by my count he has exceeded 40 minutes.

The Acting Speaker (Mrs. Morin): Order, please. The record shows that the hon. member is within the 40-minute limit. The hon. member for Regina-Lake Centre (Mr. Benjamin).

Mr. Benjamin: Thank you, Madam Speaker. I knew that you and the table were keeping an accurate record, and accuracy is not something for which the hon. member is noted. I shall repeat my final sentence, because obviously the hon. member was not listening when he interrupted me. I said that we should start at the top when we want restraint and want to fight inflation: we should start with MPs, senators, corporate executives, judges, lieutenant governors, and professional people. I submit that this kind of legislation flies in the face of that principle.

Mr. G. W. Baldwin (Peace River): Madam Speaker, I sympathize with the hon. member for Ottawa West (Mr. Francis) because while the hon. member for Regina-Lake Centre (Mr. Benjamin) may not have used up his 40 minutes, from what he had to say one could easily think he had been speaking for hours and hours in terms of picayune, petty, partisan nonsense. Perhaps the fact that this should come from the mouth of such an intelligent member of the House—of course, the fact that he belongs to the party he does to some extent disavows my description of his being intelligent—could be ascribed to the fact that somewhere in the great prairies there is an election going on in the province of Saskatchewan, and the hon. member is looking far beyond Saskatchewan where his party is in serious trouble because it is a party which—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but whatever was ruled in respect of the hon. member for Regina-Lake Centre also applies to the hon. member for Peace River.

Mr. Baker (Grenville-Carleton): On a point of order, Madam Speaker, may I say that I have known the hon. member for Peace River (Mr. Baldwin) for some time, and I would think, as the hon. member for Mississauga (Mr. Abbott) said a few days ago, he was in the process of clearing his throat ready to make a speech.

● (1240)

Mr. Baldwin: Madam Speaker, I undertake not to depart further from the rules than did the hon. member for Regina-Lake Centre. Having indulged in these few pleasantries to start with—

Mr. Knowles (Winnipeg North Centre): If those are pleasantries, what will you use for an attack?

Mr. Baldwin: I shall have some more pleasantries later; I am just getting started. Last night the Leader of the Opposition (Mr. Stanfield) took the same attitude as the hon. member for Calgary North (Mr. Woolliams) with regard to the bill that had come up before, that the place to make any suggestions as to changes in the salaries fixed by the bill is the standing committee. The Leader of the Opposition said that we are in full accord with the principle of this bill and we think there should be some increase in the salaries, but that this is a matter for the committee to decide, not the House. The House can decide to be against this bill on the grounds that we are against the principle that there should be an increase in the salaries of lieutenant governors.

I think the hon. member for Regina-Lake Centre went far astray in his description of what was said by the Leader of the Opposition last night, in the same way as he disclaimed, in the course of his speech, the extent of the demagoguery which has animated his party with regard to all these bills. In a very narrow sense, what the hon. member said may be correct but it has to be construed in

an exceedingly narrow sense, if one has to examine this against the whole broad background of the national and international economic situation, what the hon. member is saying is just as demagogic as what was said by some of his colleagues on the other bills dealing with salaries of members of the House and salaries of judges.

Some hon. Members: Hear, hear!

Mr. Baldwin: That demagoguery was found in several parts of this House; it was not necessarily all in the NDP.

Mr. Knowles (Winnipeg North Centre): Explain!

Mr. Baldwin: It is patent nonsense to argue that, for example—taking the lieutenant governors whose salaries are the subject of this bill—the last occasion on which we dealt with these salaries was 1963, because in the same way a number of years elapsed before members of parliament and members of the judiciary received an increase in their salaries. If anyone suggests to me that the time which elapsed was of such a length that there was ample opportunity for those who felt it their duty to set an example at the highest level, I say that an example was being set in this House with respect to the judiciary and lieutenant governors. But did that stop people from demanding, and receiving, a larger share of the economic pie than perhaps was justified—such segments of society as industry, business, international unions and other people? I will not go into a preview of the budget debate, but to listen to the arrant nonsense to which we have had to listen inside and outside the House is, to me, quite objectionable.

Some hon. Members: Hear, hear!

Mr. Baldwin: I think we should look at the true picture. Indeed, people should try to set an example; but we have to go beyond that. What we are finding now—and it is true with regard to lieutenant governors, the judiciary and members of parliament—is that when many years ago this country and other countries set their course on a pattern of developing social assistance programs, with which I and other members of the House agreed, we failed to take into consideration the necessity of linking them to the capacity of the country to sustain and support them. For the last 10 or 12 years people have been demanding, and receiving, more than we have been able to produce in this nation through people in the agricultural sector, the labour sector, industry and individuals who by their ingenuity have created an economy of usefulness and value. As a result, we are facing a very serious situation with regard to inflation.

This is not the time to go into that matter, but I want to make it plain. To say, as my friends to the left have been saying and as we have heard through the media and in the country, that a small group of ten people, whose salaries obviously have been inadequate over the last 12 or 13 years, should now be the subject of attack such as was launched by members of the party to my left is, to me, completely inexcusable. It is not a situation which has contributed in any sense to the inflationary processes in this country, and I suggest that we have to look much deeper for the causes of this situation. The kind of demagoguery which we have heard from that party is simply nauseating.

Some hon. Members: Hear, hear!

Mr. Baldwin: It should have no effect on the approach of hon. members to the bill that is before us.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, I am very pleased to follow the hon. member for Peace River (Mr. Baldwin) in this debate. Although I know there are differences of opinion among members of the House about the devotion of some members from time to time, I do not think any person in the House would indicate anything but the highest regard for the involvement in all aspects of public life of the hon. member for Peace River.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): When we look back over the difficulties and vicissitudes of public life, not only of members of the House but of members of the judiciary and of lieutenant governors, and the restrictions on life in general, we should listen very carefully to the words of a person who has made great sacrifices in order to serve his country in this House. Having heard the member of the NDP who just resumed his seat—I do not wish to cast any reflections on him—I feel bound to say that I heard a speech by the resident hypocrite of the House of Commons.

Some hon. Members: Hear, hear!

Mr. Benjamin: I am glad you are trying to be nice.

Mr. Baker (Grenville-Carleton): I hope that when the time comes at the end of this month to collect the bounty that has been given to us and for which all of us are grateful—most of us, in any event—he will be at the front of the second line, that is, the line of those who will turn their money over to some worthy charity such as "Beans for Benjamin" or something like that.

● (1250)

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): I think it is extremely important that we recognize a couple of facts about lieutenant governors. There are lieutenant governors in each of the provinces, and each province has treated its lieutenant governor a little differently in terms of the prerequisites of the office. Some lieutenant governors, for instance, are supplied with homes. However, I am advised that the NDP government of Saskatchewan in 1944 decided to do away with having a home for their lieutenant governor, through some mystical form of tokenism with regard to savings, and ever since the person who occupies that office has had to rent a suite in keeping with his position. The people of Saskatchewan and the successive governments of Saskatchewan have regretted that shortsighted tokenism. The government of that day, as I recollect my history, was led by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

I think we have to be careful when we consider the positions some men and women of this country are privi-

leged to occupy. When I consider that, through neglect or otherwise, there has been no increase in the emoluments or the salaries of that office since 1962 or 1963, frankly I think that is scandalous. I hope the government House leader will not take this to heart, but I think there has been considerable neglect by the government, and it is neglect which cannot carry on forever.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Baker (Grenville-Carleton): I will when I have finished.

Mr. Knowles (Winnipeg North Centre): Will that be this morning, or this afternoon?

Mr. Baker (Grenville-Carleton): I do not want to interrupt the hon. member's lunch hour; it is likely to be this afternoon. If the hon. member is taking that as an undertaking, and if he wants to go to the parliamentary restaurant and have his lunch now, he can do so and I will be available to answer the question this afternoon.

Mr. Benjamin: He doesn't go there.

Mr. Baker (Grenville-Carleton): If he wants to have soup and a sandwich in his office, he can do that.

Mr. Knowles (Winnipeg North Centre): I am staying right here.

Mr. Baker (Grenville-Carleton): What I am saying is that in Canada there are ten lieutenant governors, all of them men and women who distinguished themselves not just in professional callings but in service to the public long before they ever came to that office: that is why the prime minister of the day invited them to take the office. The people of Canada should be grateful to them, not just for their past service but for the fact that they accepted the office. When I think of the neglect over the last 12 years, I believe we should be doubly grateful to the men and women who have accepted the office under those circumstances.

It is very easy to take pot-shots at people in public life. Members of parliament are in the controversial field of active, open and overt politics and we have to expect these things from time to time. It does not make the criticism levelled at members of parliament less valid, but quite candidly I do not like members of the judiciary of this country, a judiciary which has a remarkable record in terms of the quality of the men and women who have accepted appointment to the Bench and have cut themselves off from their profession, to be the subject of some of the things that we heard today. I take great umbrage at the lieutenant governors of the provinces being subject to this kind of crass, low, political attack in this chamber. The representatives of Her Majesty the Queen in all the provinces are being attacked.

I will criticize the government for not bringing in legislation sooner and for not establishing a system by which there could be an annual review of these salaries, just as I criticize it for not doing the same for the judiciary, and certainly for members of parliament. If there are some hon. members of this House who can stand up and say this is wrong, perhaps it is within the rules of the House and within the rules of public debate on public matters but it is in the poorest taste, and I think the hon. member who will be the beneficiary of the "Beans for Benjamin" fund which is to be established will regret, on reflection after reading his speech, that he ever raised the matter in the way he did.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Having said that, I do not want to suggest that there are not groups in Canada who must have their wages, salaries and pensions adjusted. That is a problem we are faced with. That is the great challenge to the government. That is the challenge the government has not met, as the situation has deteriorated since 1963. When postal workers demand more money, when the GLT workers in the public service demand more money, when old age pensioners say that they are falling further and further behind, they are really saying that we have to take a new look at the redistribution of income in this country. With that I agree; but to use that as the platform to attack the Crown and those men and women who give something to this country I think is most unfair, and I am sorry that speech was made by the hon. member from Saskatchewan.

Madam Speaker, may I call it one o'clock?

The Acting Speaker (Mrs. Morin): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Baker (Grenville-Carleton): Madam Speaker, just before the luncheon adjournment I was talking about the question of the redistribution of income in Canada. I was speaking in the context of the remarks of members of the New Democratic Party with respect to where the thrust ought to be in terms of redistribution of income. I said there are no two ways about it: the great challenge facing Canadians and this government—and we have to judge whether it has been successful—is on the whole question of redistribution of income.

In this country there have been no national guidelines with respect to redistribution of income. Those who have been strong in the constituencies represented by my friends in the New Democratic Party have been able to chase a larger and larger piece of the economic pie: an economic pie which itself is not growing any larger. As a result, pressures are built into our economic system that are now laid on the doorstep of the Minister of Finance (Mr. Turner). One of the groups that is not strong, one of the groups that is small, one of the groups that is performing a sound constitutional function within our system is the group of ten lieutenant governors who are the subject of this legislation. I think it is important that we give them the recognition the position warrants.

I should like, now, to turn to yesterday's debate on this subject, Madam Speaker. I do not often agree with the President of the Privy Council (Mr. Sharp), but he said something yesterday which I can endorse. At page 5853 of *Hansard* he said:

> Mr. Speaker, the purpose of this bill is to recognize the continuing importance in our constitutional system of the functions discharged by lieutenant governors of the provinces—

He added that there ought not to be, as a matter of principle—a principle that everyone in this House can support, I am sure—continuation of the practice of having a variation in the salaries and remuneration paid to lieutenant governors dependent upon the size of the province in which they have the honour to be the Queen's representative. I think it is extremely important that this be recognized. After all, the functions are the same, the constitutional duties are the same and the representation asked of the office is the same. I think it is high time this legislation was brought in to change a principle that I gather has been in force for a great many years.

We do not support this bill to reward the "fortunate ten" in Canada, nor to denigrate those who are not so fortunate through no fault of their own but perhaps because their circumstances are beyond their control. We support the bill because we earnestly believe that the principle set forth in the bill regarding the amounts is proper. We also believe that we can debate this matter until the cows come home and never settle on what is a proper amount. We support the bill and believe that it ought to go to committee where the whole question can be examined in depth. I think this is a position worth taking.

The President of the Privy Council said that in the table of precedence in Canada, lieutenant governors rank immediately after the federal cabinet. I have reservations about that. I have very high regard for lieutenant governors of the provinces, and I do not know whether they should be placed below the "salt". Even placed in that position of some disadvantage, however, the office is worthy of Canadians of the highest calibre who from time to time are asked to accept it.

I have always taken the view that the salaries and allowances paid to people in public office, whether in the political sphere, the judicial sphere or, as in this case, the vice-regal sphere, ought never to be the enticement.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Madam Speaker, I hope the lone representative of the press gallery feels properly welcomed.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I have said that I do not believe salaries and allowances ought to be the enticement into public life, but at the same time they ought not to be a deterrent to people wanting to continue in public life, on the one hand, or to good people wishing to enter public life, on the other hand. I have been shocked lately at the attitude of people who should know better with respect to this principle. This is a difficult balance to strike and I am sure in this legislation the government is attempting to find it. Whether they are successful will be for the committee and, ultimately, this House to decide. The government must strive for the balance, however, so that when the Prime Minister of this country asks a man or a woman to become the lieutenant governor of a province, he or she will neither be deterred nor attracted by the remuneration but will be attracted by the opportunity presented for further public service.

[Mr. Baker (Grenville-Carleton).]

• (1410)

What do I mean when I speak of further public service? I mean this: I am satisfied that no prime minister, no matter which party he leads, would select for office any person who has not demonstrated throughout his lifetime the ability and desire to serve the public of Canada. We should remember something else: public life entails sacrifices. I am new to public life and, in personal terms, I do not know all the sacrifices. I know that some have been in public life much longer than I or many members of this House. It is important not to overlook the sacrifices and penalties of public life, even though those in public life are not conscripts to it.

We should make sure that the sacrifices involved do not deter entry into public life of those about whom we have talked in the last few days. Today we are discussing the lieutenant governors of provinces—a small group. Judges form a larger group, and members of parliament, given the turnover in membership of this House, an even larger group. These groups are important to Canada. We should not lose sight of this fact. It is important for us not to become cynical. It is important for the media of this country not to be cynical about our institutions.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): We must not deter good men and women from serving, because there is always a place in public life for those who want to serve. There is always a place for them at some level. As I say, today we are discussing those who hold the office of lieutenant governor of a province. We should not forget this. These days we see rhetoric in print, cynical newspaper reports and advertising the like of which I have never seen before. Such activities do nothing except denigrate those in public life in this country, denigrate this institution and, in some respects, come close to denigrating our courts. If we are not careful they can denigrate the office of the Queen's representatives in the provinces.

Lastly, I ask hon. members to remember that in the province the lieutenant governor performs the function of the Governor General of this country. His constitutional duties are similar to those of the Governor General. Speaking as a member of this House and as a Canadian, I want to entice good people to that office and not see such people deterred from seeking office because of extraneous considerations which have nothing to do with the office. I want people to seek that office for the sake of the duties of the office. I would like to be able to say that there is a reasonable hope of adequate recompense. That is really what the Leader of the Opposition (Mr. Stanfield) meant last night when he said in the House that he supported this bill and wanted it to go to committee, where these questions can be discussed.

I am angry when I hear my friends of the NDP talking about restraint. The fact is that they have not given, and are not prepared to give, anything but lip service to any program of restraint in this country. What has happened in the past will demonstrate the truth of my assertions more eloquently than anything I can say. It is important for us to exercise restraint. It is important for us to do our best for the less fortunate. But let me say that the NDP has no monopoly on that concern. I do not want anyone to think that my party or the leader of my party has not been concerned for a long time about lack of restraint and what it has done to the less fortunate. Need I remind the House that an election was fought in 1974 partly on the issue of restraint? The death-bed conversion of the last eight months or so, this turn around in government thinking, shows how right my leader was in 1974.

We support this bill, Madam Speaker, because we believe in the office and believe that the restrictions of the office, the inability of the office-holder to engage in commercial or professional enterprise, ought to be considered. I hope we shall never again hear the kind of speech that was made just before the luncheon adjournment about the holders of this office. Let me say to the government House leader that all kinds of public salaries falling within federal jurisdiction ought to be reviewed regularly, so that never again will the situation arise, through negligence, forgetfulness or any other reason, in which the salaries of public servants, including those of lieutenant governors and people in a similar position, are overlooked. We must avoid doing anything which brings the institution as such into disrepute because of the actions of those who attack it in a misguided way.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, before lunch the hon. member for Grenville-Carleton (Mr. Baker) said that he would accept a question of mine at the end of his speech. Will he now do so?

Mr. Baker (Grenville-Carleton): Yes, Madam Speaker.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, my question is prompted by a remark the hon. member made before one o'clock, to the effect that it is scandalous that these salaries have not been increased since 1962 or 1963. Does the hon. member not know that not one of our lieutenant governors was in office at that time; that seven of them have been in office for three years or less?

Mr. MacFarlane: I thought you were going to ask a question.

Mr. Knowles (Winnipeg North Centre): I am glad to see my hon. friend here on Friday afternoon.

Mr. Baker (Grenville-Carleton): He is always here.

Mr. Knowles (Winnipeg North Centre): As this increase is to be awarded to some who have given, so far, only three or four years of service, does the hon. member not feel that he was putting it a bit strongly when he said the delay is scandalous?

Mr. Baker (Grenville-Carleton): Madam Speaker, with respect—I have great respect for my hon. friend who is my neighbour outside the House and my colleague in this House, although I do not always agree with his opinions—I feel that the office itself, and not the one who may be the incumbent from time to time, is really the subject of the debate on this bill. The point I was trying to make was that the salary should be the last consideration which should either entice prospective office-holders into public life or deter them from it. Salary should be the last thing on the mind of the prospective office-holder when the Prime Minister offers the appointment.

● (1420)

I must say I do not know any of the gentlemen involved—I do know the one lady lieutenant governor—but I would be surprised if one of the considerations which went through the minds of prospective lieutenant governors was not the question of salary and allowances, especially in view of the fact that the person appointed might have to give up any interests which would conceivably be in conflict with his office, which could mean giving up virtually everything in terms of a business or other profession. Even though others have accepted appointment since 1962 to this high office, this does not remove from the government the obligation to increase the salaries paid in a regular way having regard to conditions in society.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit one further question?

The Acting Speaker (Mrs. Morin): I would remind the hon. member for Winnipeg North Centre (Mr. Knowles) that we are not in committee of the whole. However, perhaps the hon. member will allow a second question.

Mr. Knowles (Winnipeg North Centre): In this instance the hon. member may well be agreeing with me. In view of his support of the principle of paying the same rate to lieutenant governors in all provinces, thus establishing a national rather than a regional rate, does he not believe that this strengthens our case for national rates to be paid in the public service generally?

Mr. Baker (Grenville-Carleton): I do not know whether the question can be regarded as anything other than frivolous.

Mr. Knowles (Winnipeg North Centre): It is very serious.

Mr. Baker (Grenville-Carleton): The hon. member and I are among many in this chamber who are actively engaged, almost on a day to day basis, with issues affecting the public service. One of these is the question of national rates—the justice of such rates, or otherwise. I would not want to give an answer to this question other than the one I have given: I would have to examine the situation very carefully before I could answer specifically whether national rates would be applicable to the public service.

Mr. Dionne (Northumberland-Miramichi): I rise on a point of order arising out of a reference by the hon. member for Grenville-Carleton (Mr. Baker) to the one member of the press Gallery who is present. My point of order is this: I hope the lone member will assess, in terms

of quantity, the quality of the press gallery, as its members consistently try to assess the quality of this chamber in terms of quantity.

The Acting Speaker (Mrs. Morin): Order. That is not a valid point of order.

Mr. Dionne (Northumberland-Miramichi): One might even mention that they are still up in the subsidized restaurant.

An hon. Member: Obviously, there are no newspapers in Miramichi.

Mr. Heath Macquarrie (Hillsborough): Madam Speaker, if I may return the debate to a semi-serious tone, at least I would like to say one or two things about the bill before us. I am referring, of course, to the interruptions and not to the very excellent speech of the hon. member for Grenville-Carleton (Mr. Baker).

I am very happy to speak on the measure before us and I have no reservation at all in commending the minister responsible, not only for the legislation but for the remarks which he made. They struck me as being very apropos, very sound constitutionally, and a serious prelude to a measure which is extremely important. I have no personal axe to grind—I am as likely to become a lieutenant governor as I am to become a senator.

Mr. McGrath: Hear, hear!

Mr. Macquarrie: It is the impossible dream of my public career!

Mr. Basford: Which do you want?

Mr. Macquarrie: Yes the legislation before us is a source of personal satisfaction to me because ever since I came to this House I have been appalled by the inequity which existed as between provinces. During the years when the Progressive Conservative Party was in office in the country, I spent much time and effort pleading with the Hon. Donald Fleming to make adjustments. The rate in Prince Edward Island was $8,000, in Quebec and Ontario it was $10,000 and in all the other provinces it was $9,000. I could never find anyone who could explain to me why that situation should prevail. I commend the government for establishing, once and for all, that since the provinces are juridically equal and constitutionally equal—if, god knows, not economically equal—the very epitome of their constitution, the chief person there, the lieutenant governor, should reflect that in this particular matter. It is for this reason that I commend the government for recognizing this aspect. I think where the minister shows wisdom is in recognizing differences in expenditure. This is done through the expense allowances. It just happens that it is not always the lieutenant governor of the largest province or the most populous province who most dutifully fills that office or works hardest at it.

I remember that one of our journalists, who is not in the gallery at the present time, Charles Lynch, made quite a sensation in Prince Edward Island when he visited Government House and was reported to have found the wife of the lieutenant governor sewing up drapes in preparation for the royal visit. Some people were appalled by that, but I was not at all disturbed. She was the wife of a very distinguished soldier and scholar, she was the mother of very distinguished Canadians in the professions, in the arts, and if she sews as part of her devotion to her duties, it does not offend me at all.

I remember another governor of Prince Edward Island, the late Governor MacKay, who died only about a year ago, I think. There was a young lad of about 13 who had been sent by his teacher to find out all he could about Government House. He went to the Island Heritage and got the pamphlets there, but he thought he might investigate a little further. He had nerve enough to go up to the front door of Government House and was admitted by Lieutenant Governor MacKay who took him through the ancient and very beautiful building. The young fellow told his mother later that the lieutenant governor had told him many things which were not in the booklet. When he was through with the tour, he was taken to the kitchen where Mrs. MacKay gave him some milk and cookies. That is probably a more eloquent demonstration of the value of an office properly filled than the treatises of many learned political scientists.

I suggest that we must believe in this system; and those who know me in the House know that I am not an emotional monarchist but that I am a rational monarchist. I suppose this is what you would expect from one whose forefathers were defeated in 1745. We have lost a certain sense of emotion because our man was beaten there. If the system is to function, we must respect the office. I would assiduously avoid dragging the office of the lieutenant governor through any bric-a-brac about costs and salaries. I believe that my colleague who has just spoken is profoundly correct when he stated—and it is something which has concerned me throughout my life, especially in the last few years—that there is great danger in the tendency to play the political game, to denigrate not only the participants but the institutions.

● (1430)

I think in recent years, the press in this country, which I fear is not as strong or as perceptive or as sensitive as it should be, in getting after the politicians, who are fair game, may bring down the institution with them. We are inured to and expect criticism. There is a syndrome about the politician; we are supposed to be smooth and hypocritical. But when this is moved over to a denigration of the House of Commons or parliament itself, then we are in danger.

I do not care for this discussion about the occupants of a gubernatorial office belonging to a political party; that they are this or that. It is an office which we respect and one that is essential to our system. If we do not regard it with the proper respect and dignity and, I hope, affection, then we should change the system. We are talking about the most important person in each province, man or woman. It is the number one person occupying a post of honour that should not be restricted to the rich and well born. To do so would be disastrous. I have known people in my own province, the small province of Prince Edward Island, who have been fine, dedicated men who have exhausted a great deal of their personal finances in doing a proper job as lieutenant governor, and that should not be. That is wrong. Nor should the post be exclusive to

those who may have gone in for earning, as R. B. Bennett used to say, a competence. There are, alas, a great many people in this country who are not rich, and I could be one of their best spokesmen, knowing a good deal about it.

Therefore, I commend this new recognition of equality, constitutionally and juridically, among the provinces. I hope this measure will not be mired down by sniping about who is more restrained than someone else. I think these ten people, no matter who they are, should have conferred upon them by this parliament a respect for their performance of a highly important duty.

The office of lieutenant governor has been often overlooked by our students and scholars in political science. I do not suppose I am the favoured colleague of the right hon. member for Prince Albert (Mr. Diefenbaker), but I was profoundly impressed by the quality of the people whom he appointed to the office of lieutenant governor. Over the years I happened to become acquainted with nearly all of them. They were adornments to the office. They were more than adornments; they were functioning in an office which they filled nobly.

One of these appointees—I do not know how widely this is known—had a little difficulty on a royal visit with one of the members of the royal family. In a fit of pique, I suppose, she declined to meet any more people and said she was not going to have any more people presented to her. This very distinguished and able lieutenant governor to this member of the royal family, using the proper tone of address but also showing the power of his own office, said, "I hope you will not force me to act in my role as Her Majesty's representative and command you to go to this presentation". He knew his office, and it is an important office. And this is an important bill. But, Madam Speaker, it is surely not, and should not be, a controversial one.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

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

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

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INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Thursday, May 8, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Eldon M. Woolliams (Calgary North): Madam Speaker, I hope I am not establishing a precedent by having made a speech yesterday and making another

today, but I had planned on speaking on this measure for some time. I think the minister will know the position that I am going to take. According to the title of this bill, which is described as Bill C-58, an act to amend the Income Tax Act, it is a very innocuous little bill, but I get pretty worked up about this sort of thing. Of all the matters I inherited from my constituency, I have never had so much correspondence as on this matter. I have received over 263 letters about *Readers' Digest* and *Time* magazine.

Let me say at the outset that I am not speaking as one who is prejudiced against *Time* or *Readers' Digest*, particularly *Time*. I recall a cartoon by that great cartoonist, MacPherson, that appeared in the Toronto *Star* in which three people were putting various ingredients into Mr. Stanfield's salad. The cartoon was with reference to a meeting held in Saskatoon. I was not at the meeting and had no part in it, so I called up the editor of the Toronto *Star* and of *Time*. I do not know whether it is because of my physical make-up, but my wife always maintains that I do not cartoon very easily, and they had my name on my tie so there was no mistaking who I was. I cannot remember whether I was putting glass into the salad or something worse, but I hired some lawyers and received an apology both from the Toronto *Star* and *Time*. I think *Time* carried an article saying "Woolliams is innocent." I felt as though I had just been tried for murder and acquitted by a jury.

So after that introduction, Madam Speaker, I am certainly not speaking from any prejudice. However, I have always felt that *Time* gave a kind of capsule or pill version of the news and never really carried the news itself. They tend to editorialize the news. But this is not what I want to speak about this afternoon. I came here this afternoon because I am pretty concerned that by means of a tax measure we have brought censorship into this country.

An hon. Member: Oh, no!

Mr. Woolliams: My hon. friend says, "Oh, no". If this bill passes, the *Readers' Digest* and *Time* magazine will likely come off the news shelves in Canada. One of the most fundamental freedoms of all is surely freedom of speech. From freedom of speech flows democracy; and freedom of the press, of course, follows from that. It might be a good idea for my hon. friend who says, "Oh, no" to look at chapter 44 of the Revised Statutes of Canada and read section 2 of the Canadian Bill of Rights, which crystallizes the common law not only of the Commonwealth but particularly the law that we have inherited in statute form through our constitution from the British system. I maintain that if this act passes, it will permit not only this act but the act covering taxation in this field to allow a group of bureaucrats to determine what Canadians will be able to read.

● (1440)

I only know of few countries, even today, that have taken such drastic steps. One is the U.S.S.R. We have only to think of one of the great writers of today who was forced out of his homeland, Mr. Solzhenitsyn. Let me remind hon. members of what he said when he first escaped. He said that when you curtailed the press or tried to curtail freedom of speech, whether by taxation or other-

wise, you turned back the pages of history of the country 700 or 800 years. Let me read from the Bill of Rights, which states:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,
>
> (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;
>
> (b) the right of the individual to equality before the law and the protection of the law;
>
> (c) freedom of religion;
>
> (d) freedom of speech;
>
> (e) freedom of assembly and association; and
>
> (f) freedom of the press.

This minister and this government are trying to bring about censorship in respect of what Canadians should read. For some unknown reason this government and members of other parties seem to think there is some great Canadian nationalism in the fact that you are anti-American.

An hon. Member: Hear, hear!

Mr. Woolliams: I do not know whether the hon. member is applauding because he is anti-American or pro-Canadian. However, you can certainly be pro-Canadian without being anti-anything. But I wonder about the policies of this government which have recognized those countries which have been taken over by the communists in the last little while. Now this government wants to bring in censorship on what we should read.

Mr. Faulkner: Read the bill, Eldon.

Mr. Woolliams: I have read the bill, and I will let the chips fall where they may. I knew the minister would get upset, Madam Speaker, because the truth is apparent. Many and varied, indeed, are the ties that bind Canada and the United States together as virtually the last remaining bulwarks of freedom in this collectivistic world. We have a common heritage. Our ancestors came from the same part of the world. We have the same basic political make-up, although we have a different constitution and a parliamentary system, whereas they have a republican system. We have the same spiritual ideals and we have enjoyed 150 years of unbroken peace along the longest unfortified frontier in the world.

It seems to me the government is bringing in a bill of this nature because they think it will do something for Canadianism. After listening to members of the NDP, I have come to the conclusion that some of them enjoy being anti-American. I was born in Canada and my people came out here before the railway was completed out west. I am proud to be a Canadian and I am also proud I was born in western Canada where there are open spaces and where the people really know what freedom means as they look across the plains toward the mountains. This is what my friends want to take away.

The minister talks about *Reader's Digest* as being American, or an American periodical. *Reader's Digest* is not an American periodical; it is an international periodical. Those people who hate the United States because they think that will make them pro-Canadian should take a look at what is in the April edition of *Reader's Digest*. I do not intend to read the whole thing; I just want to give some titles.

An hon. Member: We hope not.

Mr. Woolliams: The hon. member says he hopes I will not read the whole thing. Let me remind him that this is a very serious debate. I do not think we have said enough or have been strong enough about what is taking place. A lot of things have taken place since 1968, particularly when we think about the turn of events in respect of foreign policy in this country. Let us consider the first article in the April edition of *Reader's Digest* which is entitled "Man's First Home in Space". It is to be found at page 33. This article was not written especially for *Reader's Digest* but, rather, it came from *National Geographic*.

An hon. Member: That's a subversive group!

Mr. Woolliams: Yes, they are terrible. Then we have an article entitled "Killer Hurricane" which deals with hurricanes and their causes. It comes from a paper called *The Americas*. We then find an article entitled "The Wild, Free Life of Andy Russell". It is taken from *Outdoor Canada*, a Canadian magazine. We then have an article headed "Have a Good Cry". I don't know what that means, but that was written by a Canadian author for the Vancouver *Sun*.

Mr. Basford: You are not sticking up for the Vancouver *Sun*, surely.

Mr. Woolliams: I will stick up for any Canadian paper or article written by a Canadian, and I suggest that the people of Canada should have the right to read any kind of literature written by any writer or philosopher anywhere in the world. I think the only thing the Minister of National Revenue (Mr. Basford) is hoping for is to roll in a few more dollars taken from the wage earners of this country. That is what his government has been doing.

An hon. Member: We need them.

Mr. Woolliams: Yes, you need them, the way you spend money on studies and other such things in the extravagant way of this government.

Mr. Crouse: Yes, $70 million more in one year for the Department of National Revenue. No wonder you need it, the way you are wasting money.

The Acting Speaker (Mrs. Morin): Order, please. I must remind hon. members that they should address the Chair and not members on the other side.

Mr. Crouse: That applies to the minister as well.

Mr. Woolliams: I appreciate that admonition, Madam Speaker, because I deserved it. Sometimes when you are dealing with such sensitive things as freedom of the press you tend to allow your emotions to take over from your brain power.

In looking at these articles we find one from the Vancouver *Sun* and another from the London *Times*. If you

look at the February edition you will find articles from the *Christian Science Monitor,* the New York *Times* and the London *Times,* along with a number of Canadian articles. What this government is trying to do is put this periodical out of business. This government is frightened about what we might read and feels that if the background is American it might do something to us as Canadians. When I went to university, part of my political science study included the reading of Karl Marx and other writings on the political philosophy and background of communism. Did that make me a communist? I leave that question to you, Madam Speaker.

This government has taken over everything else, and now it wants to tell us what we should read. The Prime Minister (Mr. Trudeau) once said he wanted to keep the government out of the bedrooms of the nation. I suggest to you that the Prime Minister and his government should keep the government out of the libraries. To me this is a complete affront and an attack on the freedom of our minds, or freedom in every respect. Let me put on the record some of what the Russian philosopher to whom I have referred said when he left his country. He said he wanted the privilege of reading anything that is written. Mr. Solzhenitsyn then said:

> So let the reader who expects this book to be a political exposé slam its covers shut right now.

This was a man who was educated in a communist state, but he is capable of the most beautiful philosophy and English language. He wrote the following:

> If only it were all so simple! If only there were evil people somewhere insidiously committing evil deeds, and it were necessary only to separate them from the rest of us and destroy them. But the line dividing good and evil cuts through the heart of every human being. And who is willing to destroy a piece of his own heart?
>
> During the life of any heart this line keeps changing place: sometimes it is squeezed one way by exuberant evil and sometimes it shifts to allow enough space for good to flourish.

● (1450)

> One and the same human being is, at various ages, under various circumstances, a totally different human being. At times he is close to being a devil, at times to sainthood. But his name doesn't change, and to that name we ascribe the whole lot, good and evil.

That is literature from a man who was raised and educated in a communist state during the time of the revolution and the development of Bolshevism, communism and a dictatorship which is really the same thing as socialism in the world. This government would want to choose what we are able to read.

I want to remind Liberals today of another Liberal. I do not know where the Liberal Party has gone and where the Liberal thinkers are. Some years ago in this chamber—and the hon. member for Winnipeg North Centre (Mr. Knowles) will recall it because one of his own members, Mr. Rose, left at that time to go to Poland—we heard from one great Liberal. Although it was not because of what was being done in the civil service or what one member of parliament did, people were being arrested for what they may have done and were kept in jail, not charged, interrogated and everything in respect of the scandal at that time in reference to the spy case. At that time, one great Liberal in the cabinet, Mr. Power, who was a minister during the war, stood up and said this:

Non-Canadian Publications

> As for me, brought up in an atmosphere wherein a framed photograph of Magna Carta was on almost every wall, accompanied with a warrant for the execution of Charles I, and steeped through my reading in the traditions of the martyrs of liberty and freedom, I cannot wish to turn back the pages of history seven hundred years and repeal Magna Carta. I cannot by my silence appear to approve even tacitly what I believe to have been a great mistake on the part of the government. If this is to be the funeral of liberalism I do not desire to be even an honorary pall-bearer at the funeral, and I do not wish by not taking part in this debate to give silent approval to the procedure which has taken place.

Where are the Liberals today? They say they are here. They are here in the Liberal Party, but the Liberal philosophy is gone because today they are turning back the pages of history 700 years to tell us what we will read and to go into our libraries and select the reading content in this country. With all the horror with which I have viewed this government, I never thought I would stand in this House of Commons and see censorship by taxation in this country. If that is not turning back the pages of history 700 years, nothing has ever equalled it in my time in this House and I question whether anything will ever equal it again.

I hope this bill dies on the order paper. My friends talk. They do not worry. They are the new Liberals. They are exactly like the Prime Minister said in his writings of 1963. I do not have the quotation before me but I can tell you what he said: he said that a Liberal is an opportunist today, he is a pragmatist and that the name of the game is power; power at any price or for anything. He said all he wanted was power. When he finally became a minister, at that moment the party changed from a Liberal Party to the kind of Trudeauism it has today, with a new foreign policy, selection of what one may read and taxation for pleasure. The attitude is that they are far more able to do it for the people than the people can do it for themselves.

An hon. Member: Read the bill.

Mr. Woolliams: My friend says, "Read the bill". Sometimes I wonder, if these people do read, whether they can think, because they follow blindly what I have just described. The Prime Minister wrote that article and described the philosophy of the party today. The reason they are sitting there is that they love power. When the Prime Minister wrote that article he was asked how the power is held, and he said that you give them a ministership, you give them a parliamentary secretaryship, you give them a senatorship and you give them a judgeship: he said that is how you do it—and that it how they are doing it.

My friend is not sitting quite where she should sit. But it is all right because I do not mind. I did not make the remark to which she alludes, but I am sure it applies to her as it does to me. We are all equal people. I said that I received approximately 200 letters.

The Acting Speaker (Mrs. Morin): Order, please. The parliamentary secretary rises on a point of privilege.

Mrs. Campagnolo: Madam Speaker, although I do not agree with the hon. member in his premise, I was listening to him courteously and I should like to remind him of the remarks of my colleague from Vancouver-Kingsway who

noted that Neanderthal thinking has no place in this chamber.

Mr. Woolliams: I am very glad the parliamentary secretary reminded me of that, because I never argue with the hon. lady to whom she referred who takes the same position on this bill I take. I am glad she brought her into this as evidence, because I have her letter here in which she says that every member of parliament should fight this for all their worth.

Mrs. Campagnolo: Madam Speaker, would the hon. gentleman permit a question? Does the hon. member consider and imply that all ethnic minorities, like all women, think alike and look alike as other minorities and ethnics and women?

Mr. Woolliams: I do not want to get into that, but I believe that the rules in respect of every person, be they female or male, in this chamber apply the same. I have always believed that. I might tell the distinguished lady member of parliament that I have probably defended more ladies at the bar than I have gentlemen, and I have done it with all the vigour at my command.

We are having a great afternoon. There is nothing like the truth to stir up my friends. They listen to certain speeches, with no comment; but when I speak there are questions and answers and the excitement becomes fairly emotional. I should like to read part of a letter I received on May 5. Incidentally, it is from a lady in Vancouver and at the end she has something to say which I believe contains a good point. She says:

> As Canadians we are becoming more aware of ourselves and, in our awareness, less self-conscious and more confident—in our institutions, our way of life—in our country!
>
> To erect a cultural wall around our various media will serve no useful purpose. Prohibition provides no solutions! Censorship will not work!
>
> Canadians are strong and mature enough to make their own decisions in the areas of culture and entertainment.
>
> This is a time for bold and positive legislation in a great many fields. The legislation you have proposed is parochial, unnecessarily restrictive, and not in the best interest of the country or the industry! Your purposes would be much better served by imaginative incentives to create more outlets for Canadian writers in existing publications, and more motivation for Canadian investors to seek opportunities in the publishing field.

In all the more than 200 letters I have received there is not one word of support for government censorship or for this bill. If ever I have had a duty, it is to stand here and fight with all the knowledge and ability at my command to see that we do not have a law in Canada in respect of censorship over what we may read.

● (1500)

Mr. Breau: Where do you see censorship? You can still buy *Time*.

Mr. Woolliams: Yes, but the bill is not through. My hon. friend says that I can still buy *Time*. All we are doing today is buying time to get rid of this government.

Some hon. Members: Hear, hear!

Mr. Breau: *Time* magazine.

[Mrs. Campagnolo.]

Mr. Woolliams: But we have to find out why this happened. Why would a government like this take this position? I know they have great elements of anti-Americanism in their party. One day the Prime Minister said that we must have American capital. Now he says that he never said that. He said he would like much foreign capital but that he just wants to control it. He sure likes control.

I asked myself why this bill came into this House, and when I read an article about *Time* it finally came to me. The article says:

> 'If *Time* becomes 75 per cent Canadian-owned but provides four to six pages of Canadian news and then a window on the world through American-tinted glass, that won't be good enough'—Keith Davey

Keith Davey is a magic word in the Liberal party because he brought Mr. Pearson to power and gave the Liberals back their majority. He is the great brain behind the Liberal campaign, and this is the pay off to Mr. Davey, the Senator.

Mr. Douglas (Bruce-Grey): At least we are not attending the old campground.

Mr. Woolliams: The hon. member, whose constituency I forget, is one who makes more speeches from his seat than he makes on his feet. I will let the record decide for itself.

There is one other reason. I read a book once called "Renegade in Power" written by Peter Newman, the editor of *Maclean's* magazine, so with Keith Davey and the editor of *Maclean's* magazine I think that is the reason we opt for censorship and drive out *Time* and *Reader's Digest* from this country.

I am on the committee and on many other committees. I work when I am on a committee, and I will fight this with all the ability at my command. The government is guilty of implementing a bill of censorship. It is the worst form of taxation in the history of this country. It is a disgrace to the Liberal Party.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. If my hearing is correct, I believe the hon. member for Calgary North (Mr. Woolliams) made a statement which is incorrect. I am sure it was inadvertent on his part and that he would be happy to correct it. He referred to Mr. Fred Rose, who was here many years ago, and identified him as a member of my party. That is not correct. Fred Rose was a member of the Communist Party. He got into this House by defeating David Lewis in Cartier in a by election in 1943. I would be grateful if the hon. member would make this correction.

Mr. Woolliams: I appreciate that that is probably correct. They were close together—and I am not saying close together in philosophy. Mr. Coldwell or Mr. Woodsworth was the leader at that time. I believe it was Mr. Coldwell, and you could not find a better Canadian. He happened to be my member of parliament for many years where I was raised. If I left the impression to which the hon. member referred, I certainly would want to correct that on the record.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I rise in this debate to express some very serious reservations about the bill which is before us. I think it is a little unfortunate that the hon. member for Calgary North (Mr.

Woolliams) made this a partisan issue because I don't believe it is a partisan issue. Indeed, there are a number of people on this side of the House who would like certain things changed in this bill. That is precisely why a bill is brought before the House, so that we can suggest changes and bring it into committee where we can put forward our amendments and perhaps make it more acceptable to the majority. That is what I intend to do, and I am sure there are a number of other members who have the same idea.

I have reservations about this bill simply because I feel there has not been sufficient effort made to establish guidelines to be followed for a publishing company to maintain its Canadian status. There seems to be an intransigence on the part of the minister to make any compromise on this, and on this point I do not understand the minister. Perhaps he is waiting for committee in order to do that, but I have the feeling that there is an intransigence there to any compromise, and I would like to suggest that we must make some compromise. If the object of the bill is indeed to deliver a death blow to organizations because of their American parenthood, as suggested by the previous speaker, that kind of motivation is nothing but anti-Americanism which is disguised behind a virtuous sentiment of Canadian nationalism, and I would deplore that.

In my view the central issue before us in this debate is to establish, once and for all, a set of guidelines for the magazine and periodical publishing industry in this country which meets the approval not only of the industry itself but of the advertisers, editors, graphic artists, and perhaps most important of all, the general public of Canada.

This is certainly no easy matter. The Secretary of State (Mr. Faulkner) said himself on May 8 that the government did not arrive at this decision to present this bill easily, and indeed it was a decision which was hard to make. In fact I rather suspect that probably a good number of ministers were not present when the decision was made. Moreover, this very subject has occupied the attention of more than one royal commission, particularly the Royal Commission on Periodicals under the leadership of Senator Gratton O'Leary. It provided one of the major areas of investigation for the Special Senate Committee on Mass Media under the chairmanship of Senator Keith Davey. At no time has anyone yet been able to provide the magazine advertising and publishing industries with conclusive guidance which legitimately protects all those who have a direct and indirect interest in the publication of magazines in Canada.

It is all very well to criticize and tear down, but what about establishing definite guidelines which people can follow? In the special report of the Special Senate Committee on Mass Media it was admitted that it was juggling unknowns. In discussing the options open to the Government of Canada, it rejected the idea that *Reader's Digest*—or *Time*, for that matter—should be "kicked out", as the report bluntly put it, because, and I quote from volume I, page 165:

> Singling out for expulsion two corporations that have done business in Canada for nearly three decades, and done it with flair and fairness and excellence, struck us as somehow inconsistent with the Canadian character. We were mindful, too, of the economic dislocation this could cause. Unemployment in the cause of socio-cultural development is a lot more palatable for its proponents than for the participants.

Nonetheless, the special committee proposed to go ahead, juggle the unknowns and recommend what is, in effect, the government's proposal in this bill as it stands, and that is to rescind section 19(2) of the Income Tax and prevent advertisers from deducting their advertising expenses in these two publications in computing their income for tax purposes.

The effect of this, as we all know, would be a severe restriction. As far as *Reader's Digest* can project, it would plunge its company into a calamitous loss position from which its magazine operations could not recover. *Time* is in a somewhat different position because it has no public equity in Canada, much less Canadian employment to consider, and is a magazine of news written by its international staff. It has options open to it which are not available to *Reader's Digest*. I feel that most of our colleagues are not too sympathetic to the position of *Time*, but many feel a great concern for *Reader's Digest*, which has bent over backwards, in my view, to be a good corporate citizen of Canada.

● (1510)

Furthermore, for *Reader's Digest* the upshot would be that the French Canadian edition would have to cease publication. As the company has pointed out, the French Canadian edition has been running at an average annual loss of $157,000 for the last ten years. So we have about 1.3 million Francophone readers who would be deprived of that edition.

Moreover, the Canadian edition of the *Reader's Digest* in English would be in severe jeopardy. It has been suggested that this edition should be replaced by one edited, published and printed in the United States. Surely it is the intention of this legislation to encourage publication of Canadian material for Canadian readers. What would be the point of making this company, which has been publishing in Canada in French and English since 1948, close its Canadian edition? What would be the loss to Canada?

Reader's Digest of Canada, as we have have already heard from the hon. member for Vaudreuil (Mr. Herbert), has a full editorial and production team of 80 people at work on its books and magazines—all Canadian citizens. The company in total employs some 460 Canadians directly and a further 1,000 Canadians indirectly among its suppliers. It gives work to Canadian freelance writers and gives them an opportunity to appear before a worldwide audience of some 105 million readers in 13 languages around the world. Its operations provide the Canadian Post Office with a revenue in excess of $3 million a year.

We should, at least, examine this company's record in Canada—attained before and since the 1965 legislation deemed the Canadian editions of *Reader's Digest* not to be non-Canadian—before we attempt to wipe it out. The magazine has been circulating in Canada since 1922. The English language Canadian edition was printed here in 1943. In 1948 it began investing in plant and equipment in Canada. It has steadily increased its Canadian contribution since that time.

With the encouragement of the government's 1966 guidelines for good corporate behaviour, the *Reader's Digest*

Association (Canada) Ltd. issued a substantial portion—some 32.6 per cent—of its share equity to Canadian stockholders in 1968. Its board of directors today is composed of six people, five of whom are Canadians of distinction and achievement. The board includes a former chairman of the Canadian Broadcasting Corporation, a former president of the Canada Council, a former Bâtonnier of the Quebec Bar, and a company president who is the other member of the board and who has a distinguished record of public service in Canada. I submit that a corporation directed by men of such stature would not sit idly by if the company, whose Canadian shareholders they represent, began acting to the detriment of Canada's economy, Canada's purpose, and Canada's cultural identity.

Because *Reader's Digest* in Canada is run by Canadians and edited by Canadians, it includes a substantial amount of Canadian material. A large proportion of this material is read in 13 languages around the world. Consider that, through the *Digest*, the story of Ontario's Science Centre has been carried to some eight million to ten million people in Finnish, Portuguese, Spanish and Chinese; or that Dr. Philip Gold's work on cancer diagnosis in Montreal has been reported to nearly 100 million readers in 12 languages; or that an appreciation of Ralph Bunche of the United Nations by Lester Pearson, the story of Expo '67, and other such stories went through all editions of the *Digest* in 13 languages to a full readership of 105 million people.

This, I suggest, is an aspect of serving the Canadian purpose that has been overlooked in proposing Bill C-58 in its present form. There are scores of such examples. A conservative estimate of the cost of buying space for this coverage of Canadian affairs in the last two years would amount to some $38 million. Editorially, of course, the value is impossible to overestimate.

Equally important is the attention Canadian editions pay to Canadian affairs in both our official languages. Some 150 Canadian writers have produced material for the *Digest* editions in Canada since the 1965 legislation gave this publication continuing Canadian status. The publication has paid attention to Canadian affairs from coast to coast. It was written about Canadian agriculture, the beef industry, the rapeseed industry, the plight of the farmer, the honey industry. It has dealt with Canadian trade and international assistance.

An article about Japan's trade with Canada was of great help to the Quebec government in informing Japanese businessmen of the opportunities in Canada—because it was distributed in their language in their country. *Digest* editions in Canada publish almost as many Canadian articles as any domestic consumer magazine and, as the company states, when this shortly amounts to some 30 per cent of the total contents of the magazines, it will be the full equivalent. Its goal is to establish 30 per cent of the total content.

If I could believe that the legislation before the House would be of benefit to the Canadian magazine industry, or to magazine readers, I could see some merit in it. But I do not believe this to be so. As the Secretary of State says, the consumer magazine advertising industry is struggling in this country. But its competitors are not magazines—and certainly not United States magazines, since the customs tariff and section 19 of the act effectively cut off the outflow of advertising revenues to United States magazines in 1965. The real competition comes from the other mass media—newspapers, television and radio. Of the total $1.6 billion spent on advertising in 1974 consumer magazines received about 2.3 per cent, or $37 million. Newspapers received $458 million, or 28.6 per cent; television $225 million, or 14.1 per cent and radio $176.5 million, or 11 per cent.

The growth in newspaper revenues in one year alone exceeded the total revenue to consumer magazines in 1974. That is the measure of the competitive problem for magazines. And yet magazines are our journals of reflective thinking, our journals of record. I am in total agreement with the Secretary of State in his attempts to encourage their growth and responsibility. Yet I cannot help noting that to remove a large section of the magazine reading public—some six million *Digest* readers—from the reach of Canadian advertisers does the magazine industry a disservice. This is especially so when we learn that the expenditures diverted from *Digest* editions would go largely to Canadian newspapers, television, radio—and only a small proportion to Canadian paid circulation consumer magazines—which are profitable anyway.

It is of further concern to me that the effect of these restrictions would deprive Canadians of a monthly magazine, independently edited by Francophone Canadians for their readers, and by Anglophone Canadians for their readers. These publications regularly bring both a national and an international balance of worth-while articles and have done so for longer than most of us can remember. We cannot quarrel with the fact that readers of the *Digest* editions purchase their copies with the full knowledge of what the contents are because of a reputation that has been carefully fostered in 50 years of publication.

As the Secretary of State quite admirably said, it is not the intention of the government to interfere with the freedom of Canadians to choose what they wish to read. Nor, he said, was the government about to direct publishers of magazines, or of any other kind of publication, on how they should discharge their responsibility to serve the Canadian community and the Canadian purpose, culturally or in any other way. The entire House, indeed the entire country, would find it impossible to fault such a fundamental statement. Yet there is a danger in this legislation that its effect would be precisely that kind of interference.

● (1520)

Economic restriction is but the back door to the control of freedom of expression. It is a negative path to what the government, the House, and the people of this country want—identical rules for all so that legitimate competition, the free uninhibited choice of customers—whether readers or advertisers—holds sway in the marketplace. To this end I suggest that we set up the kind of guidelines, as I said when I began my remarks, which will meet with the general approval of all parties without restricting the freedoms to which we, as a nation, are dedicated.

I suggest, therefore, that the government and the Standing Committee on Broadcasting, Films and Assistance to the Arts, consider adopting legislative guidelines which provide for no special cases but which, at the same time,

do not discriminate retroactively against corporate immigrants that have discharged their responsibilities and served the Canadian purpose.

These guidelines, it seems to me, should include requirements that permit advertisers to deduct their expenses for the purchase of space in Canadian magazines that are not only printed and published in Canada, but which must have all their publishing functions in Canada. These would include the typesetting, printing, circulation management, customer and billing services, promotion and advertising functions. Moreover, they should have editorial autonomy in Canada for the selection and editing of material. Furthermore, the publishing company should be an association, proprietorship, or company registered or incorporated in Canada with a degree of Canadian ownership as already defined in the Income Tax Act, and whose use of material is confined only as is consistent with the international laws of copyright.

It would appear consistent with our national goals that the committee should consider a requirement that publications could be given minor ownership concessions if they publish in both our national languages.

These guidelines extend those already in the act which have to do solely with ownership, directorship, printing, editing and publishing. They ensure that all the economic benefits of the entire corporate operation accrue to Canada, to Canadian employees and Canadian talent, save only that minor portion of revenue that would go to a non-resident investor whose equity Canada was making use of. They would, at the same time, avoid this government getting involved in the highly dangerous area of editorial content and editorial policy. They would give the same rules to all and provide, once and for all, guidelines that would permit the Canadian magazine and periodical industry to work to the cultural, economic and social benefit of the citizens of this country. The minister so far has not proposed such guidelines. I intend to put before the committee a set of such guidelines, in the hope this House will pass judgment on them, so that we will not be unjust to anyone who has helped to build up Canada.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, it is a great thrill to speak in this jammed House this afternoon, with so many members hanging on our very words. This is the first time that I have seen more members of the press in the press gallery than members of the House in the House.

Mr. Reid: Mr. Speaker, on a point of order, may I draw to Your Honour's attention the fact that the press gallery is full. This is the first time in the history of our parliament that there are more members of the press in the press gallery than members of the House in the House of Commons, on a Friday afternoon.

Some hon. Members: Hear, hear!

Mr. Roche: Mr. Speaker, I wish the parliamentary secretary would pay attention to our speeches. I just made that point. I wish he would not repeat it.

I am glad the minister is present. This afternoon I want to put a serious proposal to him, and hope he will respond when he closes debate on second reading. Meanwhile I compliment the hon. member for Cochrane (Mr. Stewart) who has just made what I judge to be a thoughtful and constructive speech. It is all the more important because he was previously the chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts. I hope the minister will give the hon. member's points serious consideration.

The key vote of this bill will not be the vote on second reading; it will be the vote on third reading. I suggest, for that reason, that this bill presents many of us with some difficulties. For example, as the minister said in introducing this bill, the clause devoted to broadcasting near the end of the bill would prohibit tax deductions for Canadian advertisers advertising on American television stations, especially those stations which are close to the Canada-U.S. border. Actually some such stations have been established for the precise purpose of obtaining Canadian advertising revenue and directing advertising at Canadian audiences. That, surely, is not what the CRTC or, indeed, the Canadian people want. So, if we were to oppose this bill completely we should be opposing an enlightened provision which is aimed, obviously, at curtailing the violation of proper Canadian broadcasting policy.

I shall begin my remarks by suggesting that the broadcasting clause is a step forward.

It is interesting to note how quickly, relatively speaking, the government is moving to remove those sections of the act which allow Canadian advertisers to claim tax deductions with respect to broadcast advertising. One should note how quickly this is happening, and note the long period during which *Time* Canada and *Reader's Digest* have been unable to offer tax deductions to Canadian advertisers. What I am saying is this: it seems to me we are too far down the road with respect to *Time* and *Reader's Digest* to think about taking legislative action which will end the tax exemptions those two publications enjoy, and expect that such move will help the Canadian publishing industry. That is the point which worries me most.

As the hon. member for Cochrane suggested in the concluding part of his speech, by passing Bill C-58 we shall be, in effect, discriminating retroactively against corporate immigrants. I feel that this will affect the large readership which *Time* Canada and *Reader's Digest* have obtained. There are too many jobs at stake. The implications for our economy are too severe for us to take what I judge to be a simplistic action in an effort, ostensibly, to help the Canadian publishing industry.

I am not satisfied that a vote on second reading in support of the bill, even though the bill contains the broadcasting provision of which I approve, will lead to the enhancement of Canadian publications. I believe a positive policy is needed rather than restrictive legislation. If I could be convinced that the removal of the tax concession from *Time* and *Reader's Digest* would truly help the Canadian publishing industry I might be inclined to favour this bill. But it is my judgment that the measure will not help that vast array of educational, political, scientific and agricultural publications which are at the core of the Canadian publishing industry.

● (1530)

One must not think only of the big publications—*Macleans, Saturday Night* and *Chatelaine*. These magazines are undoubtedly important—as a matter of fact the restoration of *Saturday Night* is a positive step forward. But *Saturday Night* was restored at a time when this legislation was still on the order paper. Indeed the publisher and the editor have indicated that Bill C-58 is not really of such significance to them—that the survival of their paper is not really at stake in the debate on the passage of Bill C-58. In any case, I do not believe that the plan to establish a truly Canadian news magazine, which they say they want to produce, really depends on the passage of Bill C-58.

When I talk about a positive policy I should like to remind the minister that I do not speak as a Johnny-come-lately on this subject. I am not a neophyte in the publishing world. When I call for a positive policy as an alternative to the present terms of Bill C-58 what I am really doing is coming back to the government, in a different role as a member of parliament, to say the very things I came to Ottawa to say in 1968 when I was a member of the executive of the Canadian Church Press.

The Canadian Church Press is an association in Canada which embraces about 25 publications with a total circulation of well over one million. It is only one of many trade associations representing various publishing categories. Others are educational, scientific, or agricultural.

When we came to Ottawa in 1968 we came with a sense of alarm because at that time the postmaster general, Mr. Eric Kierans, was bringing before the House a bill to raise the postal rates. Mr. Kierans took the view that the Post Office should pay for itself and that second class mailing privileges, which publications such as those I have described had enjoyed, should be restricted in such a way as to decrease the Post Office deficit.

We came with a brief and we presented it to the postmaster general. I do not hold the minister responsible today for the actions of Mr. Kierans when he was postmaster general, but I want to assure him that when I talk about postal rates for Canadian publications these are much more instrumental to the survival and encouragement of Canadian publications than is this bill concerning *Time* and *Reader's Digest*. Thus, when I come to spell out the basis of a positive policy I want to assure the minister, with as much modesty as I can muster, that I know what I am talking about.

I was, during this period, the editor and manager of a religious publication which sought to fill a community and social need in western Canada. This publication received many international awards. I am not going to say it is in the class or category of *Reader's Digest*, but it was doing its bit to make this country stronger. When we came here in 1968 we ran up against a stone wall of cabinet thinking as exemplified by Mr. Kierans.

I want to read a couple of paragraphs from our submission because they are relevant today—even more so, because what we predicted in 1968 came to pass as a result of the unprecedented actions of the Liberal government of that day and the absence of a policy on publishing which recognized the effect of postal rates on publications. We said at that time:

> The Government of Canada has long recognized the role of the church press of Canada as an important educational medium, operating for the common good. Religious publications have enjoyed a preferential postal rate, ¼ cent per pound below that of general magazines, along with publications devoted to the sciences or agriculture.
>
> The church press represents a cause and not an economic investment. All of our publications operate either on the narrowest of margins financially, or at a deficit made up by the sponsoring church or religious organization. Most of the advertising appearing in our journals is from church-related organizations, although some of the magazines compete as vigorously as limited budgets permit for general advertising.
>
> As you may be aware, church publications do not enjoy news stand sales in Canada. Some of our member publications have investigated the possibility of putting their magazines on the news stands without success. Our publications are almost completely dependent, therefore, on the mail for distribution.

● (1540)

> There is grave concern, therefore, for the survival of some publications if increases in rates for second class mail are such that they put too heavy a strain on the publications' financial resources.

I have recounted that in order to indicate that at that time the government was not interested in merely retaining special rates for consumer publications to enable them to survive. If the government had done so at that time, that itself would have been a big step for Canadian publications which in 1968 were beginning to feel the ravages of inflation.

I remember very well putting forth our arguments to Mr. Kierans, who could see only the corporate approach to the Post Office—that of its paying its way. Immediately after that a bill went through the House of Commons and the government took away the preferential rate for specialized publications to which I have referred, and increased the rate for magazines of between one and a half cents and three cents a pound. The basic harm that was done was that the bill, which was then known as Bill C-116, raised the price per pound from three cents to five cents and, worst of all, instituted a minimum floor rate of two cents per piece.

That action alone put in jeopardy many specialized publications that were trying to make a contribution to Canada's life, and ended the lives of several. I recall that not so much from the negative point of view but to remind the minister that I remember only too well what happened. I ask him whether he now thinks that bringing in a bill to take away a tax concession granted to *Time* and *Reader's Digest* is the answer.

I suggest to the minister it is not, because the magazines and publications that I have been referring to do not depend on big consumer advertising for their survival. Indeed, if you pick up the major Canadian consumer magazines today they seem to do pretty well with Canadian advertising. But what these magazines are contending, along with the smaller publications, is that the postal rates are killing them, and so are postal service and late delivery.

Therefore, hand in hand with a positive policy toward Canadian publications would have to go some improvement in service for Canadian publications on the part of the Post Office, with the recognition that Canadian publi-

cations that are trying to make a contribution to Canadian life cannot and should not be expected to pay their way through the Post Office. The Post Office is a service to the Canadian people, and it should also be a service to the Canadian publishing industry.

The second step that is essential to the industry in any positive policy would be a better distribution system for Canadian publications. On any newsstand in Canada there is for all to see an overwhelming number of American publications. This is because 13 of the 14 distributors in Canada are American distributors and they are pushing their own publications, the big sellers in this country. They do so because there is a lot of money in them.

We are not going to remedy this situation by taking away tax concessions to *Time* and *Reader's Digest*. What is required is a distribution system that is backed by the government which would enable Canadian publications to have much more reasonable access to the market. We require a distribution system for Canadian publications that guarantees room for them on Canadian news stands that are now filled with American publications, along with improved postal delivery.

I have asked the minister to consider the points I have made respecting postal rates and a distribution system as practical steps that could be taken to help the Canadian publishing industry, because the minister said in introducing the bill that what we wanted was an increase in the size, number and saleability of Canadian magazines, with resulting large opportunities for Canadian writers and publishers. I am not out of sympathy with the minister's intention to improve the market for Canadian writers and publishers. There is a lot that can be said about the book industry, but I will not do so at the moment. It is also dominated by American books. I hope that the thoughtful remarks made by the minister in connection with a Canadian publishing policy for books will find implementation. However, for the moment I want to confine myself to magazine publishing, with specific reference to *Time* and *Reader's Digest*.

I cannot at this moment find in myself any recognition that this bill is going to accomplish the aims set out for Canadian publishing by the minister. I therefore want to make some specific suggestions to the minister and ask him to reply to them when he winds up this debate. I want to propose a spirit of compromise on the part of the government along the lines suggested by my hon. friend for Cochrane, namely, that there be some guidelines established which will take away this punitive aspect of the bill and at the same time make a contribution to a recognition that Canadian writers and publishers truly need some help in order to withstand the terrific inroads made by American competition.

We have to recognize that if *Time* Canada and *Reader's Digest* of Canada wer to close their offices, Canadian news stands would still be filled with American publications, including the American edition of *Time* and *Reader's Digest*. I have received, as have other hon. members, a lot of mail on this subject, and I think that many Canadians are under the misapprehension that if Reader's Digest of Canada were to close its doors they would not be able to get its publication. Such is far from the case. *Reader's Digest* would still be available. My point is that if we want to help the Canadian publishing industry we should produce a positive policy that will have as its keystone, as I suggested a few moments ago, better postal rates and a better distribution system.

Let me put this proposition to the minister. If this bill were to go to committee and we heard representations from the Canadian publishing industry and *Time* and *Reader's Digest*, I suggest that in an enlightened atmosphere it would be possible to produce a policy that would be in harmony with the interests of Time Canada and Reader's Digest of Canada as well as the interests of the Canadian publishing industry.

I suggest the route to that policy would be through the establishment of a five year plan which would lead to a graduated Canadian ownership of *Time* and *Reader's Digest*, so that at the end of the five years both *Time* and *Reader's Digest* would be 75 per cent Canadian owned. We now know that *Reader's Digest* is 32 per cent Canadian owned. Time Canada has given some indication that it is not unhappy at the prospect of becoming 75 per cent Canadian owned. Certainly I think this would be a step forward. That is the first of my three conditions in which I know the minister himself has shown interest. The first, I repeat, is 75 per cent Canadian ownership.

The second is that these publications must be licensed in Canada. It is not sufficient for them to be licensed in the United States. Although they would undoubtedly continue to operate out of their parent offices in the United States, nonetheless their licences should be established in Canada so they would truly be operated under Canadian corporate ownership.

● (1550)

The third section in this plan has to do with what the minister dwelled on in his introductory speech in which he said that these publications "cannot be substantially the same" as their parent magazines. What does "not substantially the same" mean? I suggest this is perhaps the most dangerous aspect of this bill because of the confusion it will mean for publications published in Canada being not substantially the same as the parent publications published in another country, specifically the United States.

Some members are afraid this will lead to censorship. Indeed, the Minister of National Revenue (Mr. Basford) suggested, if I read him correctly, that 80 per cent would have to be different. Any provision in respect of the content of a publication is extremely dangerous and, therefore I am unhappy with the minister's reference to a formula under which a publication enjoying the tax benefits under our law would not be substantially the same.

This is a question which needs to be examined very thoroughly in committee. I would be content to see the bill go to a committee were I to receive the assurance from the minister that he would support the idea of *Time* and *Reader's Digest* being subjected to a gradual 5-year plan for Canadian ownership, being licensed in Canada, and in that spirit an attempt being made to work out what would be the proper application of "not substantially the same". That would forever remove the possibility of the charge that the government is going to be involved in censorship.

It is because I am so worried about government control of what any publisher can write that I am apprehensive, and I say this on the basis of my own experience in the business, of any formula written into law under which a publication would be required to be "not substantially the same", with that requirement being put into the hands of some official or bureaucrat who would be empowered to make the decision of what an editor could or could not say.

I am not so concerned about what a publication says or contains. I am less concerned about that than I am about the question of ownership and the question of licensing in Canada. If you put all these things together you will see that what I am suggesting is that this would be a way out of the dilemma we are facing now in dealing with a bill that has some good sections, such as the broadcasting part, as well as other sections that worry me a good deal. I do not think the bill as it now stands will accomplish the aim I share with the minister of helping to strengthen Canadian publishing. I ask the minister to consider seriously my remarks, and when I read his speech in concluding this debate I will determine how I am going to vote.

Mr. Marke Raines (Burnaby-Seymour): Madam Speaker, I have heard a great many words bandied about which I do not understand in connection with this issue. For example, we have heard reference to the word censorship, the matter of government control, and punitive action on the part of the government. I would urge hon. members to come back to the basic matter at issue here, and that is *Time* and *Reader's Digest*.

As I see it, and apparently as the Cabinet sees it, what is involved here is a matter of special tax privilege and the withdrawal of this special tax privilege. This is the heart of the matter. I assume this matter will come before the Standing Committee on Broadcasting, Films and Assistance to the Arts, of which I am a member. I wish to make it clear that I will listen to all the arguments of the spokesmen, and I am sure there will be many from *Time* and *Reader's Digest*. I will listen to their arguments very carefully.

So far as I have been able to determine, the matter still comes back to the special tax privileges which were granted 10 years ago, for what reason I am not sure. At any rate, the government in its wisdom has now decided to withdraw those special privileges.

Where does the matter of censorship arrive? I have no great interest in the content of *Reader's Digest*, *Time*, *Playboy* or *Newsweek*. Canadians will continue to buy them, and I am sure the companies will continue to publish and put them on the newsstands in this country. *Time* and *Reader's Digest* are two of the wealthiest magazines in the world, and their publishers will continue to publish whatever they wish in whatever country they wish, and that material will continue to come into Canada.

As to punitive action resulting from the withdrawal of these special privileges, how this can be construed as punitive action is beyond me. I think perhaps I missed part of the argument that linked this action in that way. There is no censorship in any way, shape or form, and I can see no punitive action. What the government is doing is withdrawing special tax privileges.

The publishers have said they would like to continue with these special tax privileges, and they have asked us what they must do. We have told them they must become Canadian magazines because only Canadians can enjoy these tax concessions which are designed to help the industry grow. If *Time* and *Reader's Digest* wish to change their content that is up to them. This too will be a matter for discussion at the committee.

It must be pointed out that the editorial comment in *Time* and *Reader's Digest* comes from their headquarters in the United States. That is well and good. I like to read U.S. material, and I am sure many hon. members here read *Newsweek* and various other periodicals. Why should Canadian taxpayers have to subsidize these companies? I submit that this is simply a matter of belling the cat.

Mr. Baker (Grenville-Carleton): You mean catting the bell.

Mr. Raines: If the hon. member has not read that little story perhaps he will in his basic French course.

The Acting Speaker (Mrs. Morin): Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, and private bills.

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Reid: Madam Speaker, I think you will find there is an agreement to take Item No. 36 standing in the name of the hon. member for Hillsborough (Mr. Macquarrie) under private members' notices of motions.

Mr. Baker (Grenville-Carleton): That is agreeable.

Mr. Knowles (Winnipeg North Centre): The ones ahead of it will retain their positions?

Mr. Reid: Yes, at the request of the government.

Mr. Baker (Grenville-Carleton): Not to mention the Official Opposition.

The Acting Speaker (Mrs. Morin): Is it agreed that the House will proceed to the consideration of private member's notice of motion No. 36 appearing in the name of the hon. member for Hillsborough (Mr. Macquarrie), and that all other notices of motions appearing ahead of No. 36 will be stood at the request of the government?

Some hon. Members: Agreed.

WEST INDIES

SUGGESTED ESTABLISHMENT OF SPECIAL JOINT COMMITTEE

Mr. Heath Macquarrie (Hillsborough) moved:

That, in the opinion of this House, a special joint committee of the Senate and the House of Commons be appointed to consider the advisability of taking an initiative in seeking to promote closer relations with the former British possessions in the West Indies, such as the Turks and Caicos Islands, which have not yet attained independence, and further that if the residents of any of these islands so desire it, economic and political union of these islands with the Dominion of Canada be negotiated at an early date at the proper constitutional levels.

● (1600)

He said: Mr. Speaker, as this motion was called I heard my hon. friend from Fraser Valley East indicate that I had spoken already today in this House. I just have to tell him it is unfortunate that we do not have the American Constitution governing us and are not provided the protection against double jeopardy.

It is a pleasure to have the opportunity to discuss this matter. I have no ulterior thoughts concerning why my motion received such good priority, and I shall not dwell upon the fact that this is a sunny Friday before a long weekend and that I am now doing better than I did on the draw for motions. This is a subject which I know most members are aware has been close to my heart for a long time. I think this is perhaps the tenth time I have spoken on this subject matter, either on a motion in my name or in the name of some other member. The first time the motion became familiar to us was when it was moved by a distinguished parliamentarian who is now a distinguished member of the other House, Senator McIlraith.

Through the years my views on the general question have remained the same and my convictions have been strengthened, but from time to time there have been developments which have prompted me to give some additional focus to the general matter. Over the years since I have been proposing this measure, from one part of this geographic region has come a clear expression of interest in closer political ties between this country and that part of the Caribbean. Because that came to our attention I thought it would be well for the parliamentarians of Canada to demonstrate sufficient interest to be willing to set up some forum whereby the matter might be discussed. The motion of course does not make any claim in respect of recommendations concerning what should be done constitutionally but rather that the matter should be examined.

I have always believed that our Commonwealth Caribbean neighbours in many ways are the touchstone of the success of our external policy in terms of economics, in terms of aid, and indeed in terms of immigration because in many ways that is an aspect of our foreign policy. I believe if we cannot be successful in dealing with these our hemispheric neighbours, these our sister states of the Commonwealth, then we are failing and are likely to fail in the broader and more ambitious programs on worldwide basis.

I also have, as do most maritimers, a sentimental attachment to and sustained interest in this part of our hemisphere. The maritimers have known the people of the West Indies, of the Caribbean generally and, in what we used to refer to as the golden age of iron men and wooden ships, the exchanges of goods and people. From these ties have emerged a good feeling. I want to salute the Premier of Nova Scotia who I believe is making a special arrangement to invite a number of Caribbean parliamentarians to come to Nova Scotia in July this year. That is an excellent idea. They will see something of the second best part of the maritime provinces, and perhaps they will be able to come to the epitome of beauty and excellence, the province of Prince Edward Island, when they get to the Atlantic region. This is a part of the tradition. These are the ties. But more important than the romantic connection and the fondness we have for rum, and that is fairly important, is the realistic situation that the islands to which I refer in this motion are most interesting communities whose economic and political viability is most precarious.

I do not know if Canadians realize how many small but functioning and successful parliaments exist in these very small communities in the Caribbean area. We hear about the exciting things involving violence and occasional trouble with the banks and so on. But much more important is that down there there are miniature legislatures, emanations of the parliamentary system of which we are a member. They are carrying on and doing very very well. While the communities are tiny, their problems are vast.

I am always happy to find that the Caribbean people and their political leaders refer to Canada as their best friend. I do not know of any designation we should cherish more than to be well regarded by these people who look upon us as something of a big power. I remember when I was in the Turks and Caicos Islands with my colleague who is now the Chairman of CPA, one of the men there asked me what I thought of the whole West Indian area. I told him I had always been interested. I told him about the historic ties and I said also that because I come from by far the smallest province in Canada I probably have an emotional affinity for small communities, especially when they are islands.

He asked me how large Prince Edward Island is and I told him that it is 2,184 square miles, whereupon he said, "Gee, man, do you call that small?" So, in some areas even Prince Edward Island is something of an empire. However, I should like to see us concentrate our attention a little more on these areas.

I am not at all critical about the Caribbean CIDA program. I have no political axe to grind by pointing out that the aid program was started under the government of the right hon. member for Prince Albert (Mr. Diefenbaker). I think we are doing very well, but I also think we can do more. I hear disturbing rumours that we are likely to wind down or get out of our CIDA program with Trinidad and Tobago, Barbados, and Jamaica. I am not sure I am pleased with that, because while I am concentrating on the smaller islands which have not reached sovereign status these sister communities which are sovereign states are very important to us also, and their success in their political and economic experiment is extremely important. I hope that if CIDA is planning to cut out on these large islands that there has been the fullest consultation and co-operation with the leaders of those islands, and that we will not be regarded as having pulled the plug prematurely, if I

may as a former academician lapse into an unusual use of the vernacular.

I would like to see the matter looked at again because, in my opinion, one of the most useful studies of the relationship of Canada to the commonwealth Caribbean was undertaken by a parliamentary body which in some quarters occasionally is lambasted. I refer to the Senate of Canada. In 1970 that body set up a committee to study the matter. They looked carefully at the subject and brought in academics, economists, political leaders, industrialists and so on. This committee prepared a very good report. I think it deserves more care and attention, and could be profitably picked up again. One recommendation is the following:

● (1610)

The possibility of constitutional links between Canada and the countries of the Caribbean area should be re-appraised by the Canadian government. This prospect now seems remote, but the Canadian government should be prepared to discuss proposals for closer economic and political association between Canada and countries of the area.

While I am referring to the Senate recommendations I should mention one more which I think is very important, and which I endorse wholeheartedly. This is contained in the preamble, recommendation No. 5. It reads as follows:

The excellent and highly competitive rums of the Commonwealth Caribbean should receive as much assistance as possible in the Canadian market. The 1966 agreement to implement labelling regulations went into effect on July 1st, 1969, but does not appear to have led to any dramatic increase in imports. The committee recommends that the Canadian government re-assess the effectiveness of this measure and that the mutual advantages to Canada and the Caribbean countries concerned be discussed at the ministerial level with the respective Canadian provinces.

In other words we have to think not only of aid but of trade, and it is an old law of economics from those old days when the laws prevailed, and when inflation and unemployment were cyclical rather than simultaneous events, that we should trade best in things in which we have comparative advantage. That is why the Senate zeroed in on West Indian rum, which of course is the finest in the world.

I do not want anyone to accuse a gentle person like myself of harbouring imperialist ambitions. I remember raising this matter a few years ago, and somebody said that it was imperialism. I have no illusions of Canada sending down its aging destroyers and taking over these areas, nor do I suggest that we go down there with the big buck—which, by the way, is dwindling these days—and move in. My motion very carefully points out that if there is an interest, we should respond to it with friendship and brotherhood.

I do not suppose we will see the day when any part of the West Indies or the Commonwealth Caribbean will be an integral part of Canada politically, but if they should wish it, I would not be afraid of it. I would hate to be numbered among the ranks of the narrow minded who would say that because of the colour of the skin of most of their inhabitants we could not envisage a close relationship constitutionally and politically with those people. The essence is that it is their wish which must be considered. It is our posture and our policy consistently to be ready with the hand of friendship, to be ready with a practical attitude and with an attitude of goodwill in regard to immigration.

[Mr. Macquarrie.]

When I was half as old as I am now, a mere stripling, I used to teach in some of the Atlantic college universities. Many of the students were from the Commonwealth Caribbean, and long before the days when it became popular to talk about the lack of prejudice, there was a total and complete fraternity among those students, and that has developed through the years. I had the great pleasure just two days ago of chatting with His Excellency the High Commissioner to Canada from the Bahamas, and he recalled that when I was a professor at Mount Allison, he was a student. Since that was a long time ago and I was very young, I did not pry too far as to how well he knew me or my activities, but in any case I did know that the Caribbean students were a very valued and highly regarded part of that campus and of every other campus in the Atlantic provinces.

So I again raise this matter. I ask the House to turn its attention to it. It is not exclusive of the larger islands which are sovereign states. It is not exclusive of the islands of the Caribbean which are not of the Commonwealth. I welcome most heartily the stepped up trade with Cuba and the opening of doors which have not been opened earlier, and one of the things I appreciated most about the government which I supported in 1962 was that, against very heavy pressure, Canada decided to retain and maintain its diplomatic and commercial ties with Cuba. There is no reason why we should not welcome the opening of doors with Haiti, which has a better and more amenable regime than before. These are the kinds of developments we should welcome.

I see no attitude except that of practical friendship between Canada and the people of the Commonwealth Caribbean. Because of the uniqueness of their problems and the great difficulty to retain their viability, I think that the islands mentioned here should be given consideration.

On the Turks and Caicos islands there are 6,000 people on 166 square miles. We do not even have a CIDA program for those islands. At least we could do that. I remember the director of the hospital and the community centre there saying that he had the British medical journals, but he would like to get Canadian ones. Through the good offices of the Overseas Book League, that now has been done. There is a need for teachers in the Turks and Caicos islands. The Ontario government was very helpful with school books, but much more can be done, and in view of their clear indication that Canada is a place of special interest to them, I would like us to respond with practical friendship, with an obvious interest, and with a clear, strong indication of good will.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, before dealing in a detailed way with the essential of the motion moved by the hon. member for Hillsborough (Mr. Macquarrie), I deem it important to reassert the Canadian government's interest in the Commonwealth West Indies. My hon. colleagues know that the Prime Minister (Mr. Trudeau) had the opportunity, over

the last weeks, to visit several countries of the West Indies, especially Trinidad and Tobago, Barbados and Guyana, immediately before the Prime Ministers' Conference which was held in Jamaica, from April 29th to May 6th last. The purpose of those visits was once again to point out our interest in our relations with the West Indies and the Commonwealth as a whole and with that area in particular.

During those visits to the Presidents of the three countries concerned, the Prime Minister discussed our bilateral and multilateral relations with the West Indies and had very serious discussions as to the future of all the West Indies, the eventual future of a federation of the Commonwealth West Indies and of all the islands concerned and also the future relations between Canada and the West Indies.

I believe the Prime Minister of Canada made it clear to the Prime Ministers of the three countries concerned that we wanted to deal with those countries as equals.

I suppose we have no intention of interfering as Canadians in West Indian Affairs, or of trying to impose on that area, or on a country in that area, even supposing we were provided with the opportunity to do so, the solutions which might seem proper to Canada, but which we are not sure it would be appropriate to impose on those countries.

The relationship we seek with the West Indies is based on the principle of equality and reciprocity. We do not seek hegemony or territorial expansion. It is quite the contrary, in view of the long-established relationships we have had with that area and of the real community of interests that binds us. I think that it is only within the frame of total equality of relationships that we can help them meet their aspirations within the spiralling economic expansion they are presently experiencing also and in view of their problems stemming from that expansion.

That is why Canada has provided a lot of assistance through bilateral programs, for example through organizations such as the Caribbean Development Bank and the West Indies Community, CARICOM.

I think that it is within that context of Canadian assistance through multilateral or bilateral programs that we must consider the motion introduced by the hon. member for Hillsborough who, for that matter, gave a very interesting account of the need for Canada to help those countries meeting their aspirations fully.

I suppose that in that part of this motion which deals with former British possessions in the West Indies which have not attained independence yet, one must include Commonwealth West Indies Islands which have not attained total independence yet. Indeed those islands which attained independence *de facto*, and those which have some domestic independence but are still attached to the British Crown must be distinguished insofar as external relations are concerned.

The territories still under British authority are the British Virgin Islands, the Cayman Islands, Turks, Caicos Islands and Montserrat. Furthermore, even though they are not part of the West Indies, Bermuda is still a British protectorate. On the other hand, we should not forget Belize, a Central American territory which is not autonomous. Last, there are the states associated to Great Britain and that I mentioned before: Antigua-Barbados; St. Kitts-Nevis-Anguilla; Dominica; Sainte-Lucie and Saint-Vincent which, although they enjoy a large autonomy in their internal affairs, have to deal through Great Britain for their exchange matters or external affairs. However, it is to be noted that autonomous states can without asking for Westminster's permission, proclaim themselves fully autonomous or constitute a Federation within the area.

● (1620)

To come back to the wording of the motion of the hon. member for Hillsborough, he wishes apparently that a special joint committee of the Senate and the House of Commons be established to study the opportunity of allowing the political and geographical union to Canada of Turks and Caicos Islands or any other island. It is probably appropriate that the motion does not prejudge of the nature of those closer relationships mentioned by the hon. member in his motion even though we can conclude from the rest of the motion and the mention of Turks and Caicos Islands that some form of economical and political union with Canada is contemplated.

The point I wish to underline is the following: the first part of the motion emphasises the fact that Canada should take the initiative in making proposals to those islands. Yes, in the second part of the motion it is asked that this House approve a political and economical union with any island of the Commonwealth West Indies which would request it. Were that motion to pass as it is presently, and were any West Indies island to request unification, Canada would have no other choice but to arrange a union agreement with that Island.

I wonder whether the hon. member really intends to deal in a hurry with such an important matter which might have serious consequences for the Canadian people and all the islands concerned.

Mr. Speaker, I think that Canada has reached the logical limits of its territorial development. Besides, when Newfoundland joined the Canadian Confederation in 1949, the historic dream expressed in section 146 of the BNA Act came true. The necessary amendments to that Act if other territories were to be added to the Canadian Confederation would not as such be a major problem. However, I think they would run counter to every philosophy in our constitution.

Another very important factor to be considered when new territories are to become part of a constituted political body is obviously that we might be accused of neo-colonialism.

The sun has set for quite a while on the splendors for the British empire, and in my opinion, it is a good thing. However, if Canada were to allow some islands, whether in the West Indies or elsewhere, to join the Canadian Confederation, I greatly fear that we would be accused by the world public opinion of trying to extend our hegemony to distant territories with which we have more or less important cultural and geographical relations.

Mr. Speaker, this is a very delicate matter on which I do not intend to dwell, but I do not think it is very timely for Canada to try and build its own colonial empire, directly or indirectly, at a time when the influence of all colonial states, Portugal, Spain, Great Britain, France and even the

United States, over the various territories they had under their jurisdiction is dwindling away.

There is also the question of the possible reaction of the people of the Commonwealth Caribbean in that case. Mr. Speaker, in the last thirteen years, six countries in that area have become independent: the Bahamas, Barbados, Grenada, Guyana, Jamaica and Trinidad and Tobago. As a matter of fact, those countries have come to play a very active part within the world community, were it only through their action in the United Nations and their collective action as the West Indies group, and they have definitely managed to draw the world's attention to their needs and their activities. They have developed their own methods and institutions, and work together towards a greater cooperation. I believe that the government of Canada has understood the aspirations of the West Indian people and that, by its development assistance program and by other means, it has tried to meet the objectives they have set for themselves.

While respecting absolutely the right of the West Indian people to determine their own political and economic institutions, Canada has strongly supported the efforts for cooperation in the West Indies. Certain aspects of our modern assistance program stem from our desire to meet the needs expressed by the now-defunct West Indies Federation, a regional unification project which failed in 1962. Since then, even though bilateral assistance has not been neglected, we have always been ready to enhance cooperation at a regional level when the West Indian countries deemed it beneficial.

Canada takes part in the activities of the Caribbean Development Bank in order to promote regional projects and it expects to reaffirm its collaboration with CARICOM, to help them to establish firmer regional institutions.

What would happen if Canada accepted within the Confederation the islands in this area which have not yet gained their independence? What would be the effect of such a union on the other West Indian Islands? These are so many questions which must be asked before the motion submitted by the hon. member for Hillsborough (Mr. Macquarrie) is resolved in the affirmative.

At first, I let the hon. members make speeches about the neo-colonialism feeling that we would certainly create within the various people of the world. Also, as Canadians, we would certainly have to ask ourselves very serious questions about our hidden or under underlying motives. On the other hand, we must continue to give assistance to the West Indian countries who need it the most. Indeed, I believe that is surely the best way to interfere within an area that is trying to set up its own institutions. I think that the other islands of the Caribbeans would not like us to impose our authority and political institutions upon two small islands such as the Turks and Caicos. Those islands would receive considerable sums of money to try and improve their standard of living and ensure development. Hotels would be built and all sorts of touristic activities would be developed, so that they would contrast with the neighbouring islands, which would disapprove of same 6,000 inhabitants of the Turks and Caicos living according to North American standards, while they themselves would still be at a lower level.

[Mr. Lachance.]

Tourism is very important, but I do not think that our minds, as Canadians, should be dominated by the pleasures we could indulge in, when bathing on the beaches of the Turks and Caicos. For, in summertime, we can do exactly the same on the fine beaches of Prince Edward Island, which are a real marvel and where I had the pleasure to go.

No, I do not think that, as true Canadians, we should take such superficial criteria as a basis to decide whether the Turks and Caicos are interesting territories for Canada to annex. I use a very strong word, I speak of the pure and simple annexation of a territory, which could not impose its conditions of acceptance within the Canadian confederation.

Tourism, as it is presently developed in the Caribbeans, had a considerable bearing on the economic development of those territories. I fear that a great part of the damages currently done in the Caribbeans are the result of tourism and of the almost wild development we have been witnessing in some islands. Let us take for example the case of Puerto Rico, where the central government has shamelessly developed tourism; we now can see on the local population the disastrous effects of that almost wild development which raised the standard of living of certain sectors of the population, which improved the island's economy, but left the people in a state of poverty that is still less bearable.

For all these considerations, I believe the motion moved by the hon. member for Hillsborough is unacceptable as it is. We should rather keep on extending as much credit as possible, through international development assistance, not only to the Commonwealth islands but to all Caribbean islands.

As a matter of fact, the aid extended by Canada during the last five years exceeded our 1962 commitments to the federation, to which I shall refer in a moment, because it now totals $200 million.

I believe that is the efficient way of helping local populations achieve their objectives. It lets them use the money wisely, according to their own development concepts, and does not impose upon them a development planning concept we are accustomed to but which does not necessarily fit their needs.

There is another way in which we can help local peoples develop, that is trade as such, which does not necessarily use the international development assistance channels. Our cooperation with the Caribbeans is no longer a matter of direct help only, because important trade ties were developed by Canadian industries. I know of many instances where Canadian companies, in cooperation with Caribbean businessmen, launched joint ventures that brought to the islands a transfer of knowledge and, above all, currency. And as everyone knows, currency is an important item in a country's development, because without it trade becomes much more difficult. Lack of currency prevents certain countries such as Bangladesh and other countries which are in the same serious needs, to build a firm basis for development.

So, our trade with some Caribbean islands has allowed some currency transfers which helped to improve the economy of those islands. I believe that is a very success-

ful form of cooperation which is welcomed by the Caribbean authorities.

Mr. Speaker, I will conclude by showing once again the kind of very serious difficulties Canadians would have to justify such an annexation before the whole world, at this time where Canada is trying to yield a pretty good image in the area of external relations an image of leadership in the matter of international détente, and of each people's right to self-determinate, and to decide more or less by itself how it will organize its own development. I do not see how we as Canadians could explain to the international community that interference or annexation of those two islands and eventually other islands, because if a precedent is created for two islands why not more? I do not see how we could explain that situation to the world community which then will not support Canada and will surely consider us as neo-colonialists or something else. I, for one, would not be proud to go around the world an being said: What did you do with Turks and Caicos Islands? What business did you have to do over there? Why did you not give them financial assistance? Why did you not help them by allowing them to develop themselves instead of including them in Canadian federation?

Mr. Speaker, the time when one could take possession of non-contiguous territories, an effective way to determine what we call colonialism, even with the consent of its inhabitants, is gone once and for all. Canada is willing to help her friends, or some less developed countries, to get their share of social and economic justice. She will continue to pursue that goal with the tools she has and those she might conceive; but annexation is not one of those tools.

I want to repeat that I feel the motion is unacceptable. But one must not conclude that, given that fact, any assistance must cease.

The hon. member said that there is no assistance program for Turks and Caicos Islands. I will not dispute that. I do hope that such a program will be implemented very soon and that the 6,000 people in the Turks and Caicos Islands will benefit as much from the Canadian assistance as their neighbours, the Commonwealth islands and the West Indies in general. It is not the intent of Canada to renounce values advocated for 15 years—

● (1630)

[*English*]

The Acting Speaker (Mr. McCleave): Order, please. I regret to interrupt the hon. member but his allotted time has expired. If he has unanimous consent, he may continue his remarks for a short time. Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lachance: . . . as I was saying, it is not our intent to renounce our values, and I do not believe Canada wishes to absorb neither of the islands of this area but, on the contrary, to assist them directly by providing more substantial funds.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in a very few words I should like to indicate that we are happy to support the motion which is before the House in the name of the hon. member for Hillsborough (Mr. Macquarrie). As he and other hon. members of the House know, my colleague, the hon. member for Waterloo-Cambridge (Mr. Saltsman), has made a similar proposal in the form of a private member's public bill which has been before the House on two or three occasions.

When I suggest that the proposal in my colleague's bill and that in the hon. member's motion are similar, I have in mind that in neither case is there a proposal for an absolute and final settlement of the situation but, rather, that each hon. member is proposing machinery under which discussions might take place. It seems to me that discussions with our friends in the Caribbean area, to ascertain what kind of closer relations they might like to have with us, are desirable and ought to be set in motion in this House.

I listened with interest to the remarks of the hon. member for Lafontaine-Rosemount (Mr. Lachance) who indicated that he finds the motion of the hon. member for Hillsborough unacceptable. It seems to me that in order for the hon. member to reach that conclusion he had to read things into the motion which are not there.

My hon. friend from Hillsborough is not suggesting hegemony, annexation, neocolonialism or any other kind of colonialism. Rather, he is suggesting that there should be established arrangements under which discussions can take place. His proposal is that if those discussions were to lead to a statement of desire on the part of the people in some of the Caribbean islands for closer relations, whether economic or political, the whole question should be given consideration at the highest level. It is my view that it would be good for the people of that area, and good for us, if there were closer relations. I can even see the possibility of some of those islands being part of this country—of what province they would be a part might be an interesting question, but that is a detail which could be dealt with later on.

● (1640)

Mr. Whelan: Would they get four Senators, too?

Mr. Knowles (Winnipeg North Centre): I am afraid the people of Turks and Caicos islands do not even have enough people for representation by one member of parliament let alone a Senator. I suppose they would have to be attached to a constituency on the mainland, like the Magdalen Islands. However, I did not want to get sidetracked on to that aspect, though things like this can happen a on a Friday afternoon. Rather, Mr. Speaker, I want to commend the hon. member for Hillsborough, as I commend my hon. friend from Waterloo-Cambridge, my friend and colleague across the way, and even my friend who has gone to the other place, Senator McIlraith, on proposing this idea. I hope our discussion today will lead to further consideration of this interesting proposal.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I shall not take very long. I wish to commend the hon. member for Hillsborough (Mr. Macquarrie) on his excellent speech and for bringing forward this suggestion. I was a student at the University of British Columbia during the years when the confederation of all the formerly British islands of the West Indies was an important

topic of discussion every time one encountered a student who came from that beautiful part of the world. They were living in exciting days; there was great promise there, and it has always been a matter of regret to me, as it has I am sure to other members of this chamber, that this dream was so rapidly destroyed shortly after it had been realized. In the event, it stands as an example to all democracies in the British tradition not to refer to referenda in attempts to stabilize situations. The federation split up and was destroyed.

There are still some parts left over, in a sense, and the hon. member for Hillsborough was referring to some of them. It is a temptation to a country such as ours to look south occasionally. I was here as a member of parliament in an earlier parliament when the sugar beet producers of Ontario and Alberta were seriously pressed and when they made repeated applications to the Liberal government of the day for a national sugar policy. Had such a policy been developed it would have done more for the Caribbean than anything we could have done in the way of aid or special programs or gifts. In addition, in recent years it could have saved us a considerable amount of currency when sugar prices went wild. But we had no national sugar policy and no long term agreements in effect. That was the time, too, when we might have acted with vigour and initiative to aid the islands of the Caribbean.

I believe the hon. member for Lafontaine-Rosemount (Mr. Lachance) was a bit hard on the proposal and on the remarks of the hon. member for Hillsborough. I do not really see any hint of annexation. There have been many periods in the development of this country and of the Commonwealth, formerly the British Empire, when areas of the world have asked to be attached to Canada or to the Empire because of advantages inherent in the form of government. Annexation is too harsh a word.

I have word of caution, however, to direct to the hon. member from Prince Edward Island. The proposal will be hard to sell in the west, particularly in British Columbia. I am sure a good many of my voters will see it as a plan to lure people from British Columbia to Toronto. One can imagine all manner of fly-by-night travel agencies being formed, charging a very low rate for trips to the Turks and Caicos Islands, and going bankrupt just when the 747 lands at the airport outside Toronto. Would-be tourists would then find themselves obliged to spend their hard-earned money in Toronto and substitute a holiday there for what they had planned.

Mr. Knowles (Winnipeg North Centre): A holiday?

Mr. Johnston: The alternative which I suggest to the hon. member for Hillsborough is that he find a comparable group of islands in the South Pacific. I am sure members from British Columbia will insist on a trade-off which will make it possible for them and their constituents on the Pacific coast to enjoy the summer sunshine, too, in the middle of winter. I do not know where he would find these islands as he looks south. I do not think Alcatraz would be available, and Easter Island is a little remote. It might be possible to work out some arrangement with the marvellously beautiful island of Fiji, but that would certainly be harder than developing an understanding with the Turks and Caicos islands. It is late, now, to ask for the return of San Juan, though if the hon. member could arrange that with our neighbour to the south I am sure we in British Columbia would all rejoice.

I hear someone mention Vancouver Island. Well, we are hoping that the federal government will eventually do something about transportation links to the mainland of British Columbia. There are dreams of a bridge. The time may come when the government in Ottawa—I do not think it will be a Liberal government—will appreciate the value of the islands off the Pacific coast of the nation. So, although I support the interesting proposal put forward this afternoon, I must warn the hon. member for Hillsborough of the difficulties we shall face in British Columbia, and suggest to him that a good many people might favour the transference of the islands which are being built either in the Arctic or in the northern seas to a latitude which would provide the same number of hours of sunshine as he envisages. Some such arrangement might satisfy those of us who live on the Pacific side of this great nation.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Before beginning what I have to say on the interesting motion before us, Mr. Speaker, I might tell the hon. member who has just finished speaking that should it prove impossible to transport one of those northern islands to the Pacific we might be able to transport him to one of those northern islands.

● (1650)

In his motion the hon. member for Hillsborough (Mr. Macquarrie) touches upon a subject which has been of long standing interest to many Canadians and, I think I may safely say, especially to the residents of the Atlantic provinces. The trading links between Canada and the countries of the Commonwealth Caribbean are much older than Confederation itself and represent one of the earliest manifestations of Canadian commercial enterprise. Within the last century this relationship has developed and expanded to include substantial Canadian investment and, during the last 15 years, a high volume of Canadian development assistance. In fact, taken as a unit, the Commonwealth Caribbean has received the highest per capita level of Canadian aid of any region in the world.

There is also an intimacy of association based on the existence of many shared traditions, including the heritage of the British legal and parliamentary systems. Many Caribbean leaders have been educated in Canada, as the hon. member has said, and some are veterans of the Canadian Armed Forces. The long-standing friendship between the Commonwealth Caribbean and Canada has most recently been re-emphasized by the visit of the Prime Minister (Mr. Trudeau) to Trinidad and Tobago, Barbados, and Guyana, before his attendance at the Commonwealth heads of government meeting in Jamaica.

Given the multiplicity of the ties between Canada and the Commonwealth Caribbean, it is not surprising that the possibility of some form of constitutional linkage has from time to time been suggested as a possible evolution of this relationship. About the time of the first world war, serious consideration was given to the concept of Canada's assuming Britain's responsibilities in several of the dependencies in what is now called the Commonwealth Caribbean. More recently there have been expressions of interest by

various individuals within the Commonwealth Caribbean in the idea of some form of constitutional relationship with Canada. Nothing, however, has developed to the stage of a formal request for association, although a petition suggesting that association with Canada be explored went to the British government from the Turks and Caicos Islands in the winter of 1974.

As is well known, last winter much interest was attracted to the bill sponsored by the hon. member for Waterloo-Cambridge (Mr. Saltsman), in which he called attention to a proposed association between Canada and the Turks and Caicos Islands. Certainly the proposal was not without its attractions and, with a predictably effective assist from the Canadian winter, many of us were moved to ponder favourably the prospect of a salubrious winter climate within the boundaries of Canada. Why not, it was even suggested, establish a winter capital in this tropical paradise?

Mr. Johnston: We should move it to Victoria.

Mr. Dionne (Northumberland-Miramichi): You do not need another Pacific island there. Some unkind newspapermen were moved to suggest that any form of constitutional association was bound to demand the attention of parliamentary committees, which would most certainly require the attendance of members of this House to assess the climate of opinion within the territory itself. I have not heard any of them suggest they would want to accompany that committee.

However, like so many wonderful illusions, the prospect of this happy association could not withstand the hard light of critical analysis. In a statement tabled in April, 1974, by the then Secretary of State for External Affairs, the reasons for the Canadian government's position on the subject of a possible association between the Turks and Caicos and Canada were set out, and they are reasons which can be projected to include other countries of the Commonwealth Caribbean.

As hon. members may recall, it was pointed out that any association of this nature would inevitably produce a variety of complications. It was emphasized that the Canadian government attached high priority to ameliorating the disparity of wealth between the rich countries and poorer ones. However, the absorption of one small country into Canada, which in any event might be represented as an act of neo-colonialism, would not be in keeping with the pursuit of this objective. It was concluded, therefore, that there was no evidence that the association would be of greater mutual benefit than the already existing friendly relations between the Turks and Caicos and Canada; that Canada should not seek to alter its present boundaries; and that, in view of the foregoing, the Canadian government did not intend to pursue the question of a constitutional association with the Turks and Caicos Islands.

Among the problems created by the establishment of a constitutional association between Canada and the Turks and Caicos, or any other Commonwealth Caribbean state, would be the likelihood of pressures developing in other non-independent Commonwealth Caribbean countries for a similar arrangement. It is undoubtedly true that the small non-independent states of the Caribbean are confronted with something of a dilemma as to their future status.

I am sure hon. members will agree that it is for the Commonwealth Caribbean countries to work out their own destiny, and Canada's role must be confined to that of a good friend. If Canada were to establish a constitutional relationship with one of these countries it would inevitably mean that we would become drawn into Caribbean affairs and Caribbean politics in a manner which could prove to be an embarrassment. Inevitably the perspectives and interests of Canada with regard to a number of issues are not always the same as those of the Caribbean countries. Yet, if small Caribbean states were to join Canada, the capacity of their populations to influence Canadian policy would be small.

This might then mean that an initial enthusiasm for association with Canada would eventually give place to a sense of frustration and consequent alienation. Additional problems might also arise if a large number of Canadians chose to live in the territory, thus swamping the local population. For example, the entire population of the Turks and Caicos Islands is very small, so it would require that only a minuscule proportion of northern Canadians take up residence in the islands to overwhelm the local population completely. I submit that such a development would be most unfortunate and would almost certainly provoke a bitter local reaction when it was realized that the entire composition of their population had been changed through the movement of Canadians from continental Canada to their islands.

It would also seriously weaken the prospects for greater Caribbean unity if Canada were to appear to entertain seriously the prospect of detaching some of these countries from their Commonwealth Caribbean associations and integrating them into the Canadian system. May I call it five o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. McCleave): Order, please. It being five o'clock p.m. the time allotted for private members' business has now expired. Is the hon. member for Grenville-Carleton rising on a point of order?

Mr. Baker (Grenville-Carleton): I just wanted to say, Mr. Speaker, if I may, that it is nice to see you gracing the chair today.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I am only sorry that you have had to witness yet another example of talking out an opposition motion, but perhaps those are the breaks of the game. May I ask the acting House leader for the government to confirm that we will in fact be dealing with Bill C-58 on Tuesday?

Mr. Reid: That is correct. May I take this opportunity of saying that it has been a vintage day in the House of Commons on a Friday afternoon, the first time in the history of the Canadian parliament when there have been

more members in the parliamentary press gallery than on the floor of the House. I am sure the lone CP reporter must have been delighted to have so much support with him this afternoon.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since everybody else seems to find something to say, may I wish you, sir, a happy week end.

The Acting Speaker (Mr. McCleave): Perhaps I can step out of character a bit and wish everybody else a happy week end. It being five o'clock p.m. this House accordingly stands adjourned until Tuesday next at two o'clock p.m., pursuant to Standing Order 2(3).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 20, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

SUGGESTED PARTICIPATION OF ORGANIZED LABOUR IN NEGOTIATION OF SALES CONTRACTS—MOTION UNDER S.O. 43

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I ask leave to present a motion under the terms of Standing Order 43. My motion concerns the sale and delivery of our grain to foreign customers. The foreign exchange earned by our grain sales abroad is vital to our economy at any time; these sales are especially vital when this country is running a present trade deficit which economists forecast can only worsen. Recent failures to meet our delivery commitments due to lawful strikes within Canada in grain delivery operations have seriously hurt our grain sales efforts; already foreign buyers have gone to rival producers. Not only has our whole economy been injured but our farmer-producers have had to pay millions of dollars in demurrage charges.

In a matter so important to all Canadians, we cannot afford labour-management confrontations where there are no winners, only losers. I suggest that organized labour must be made a party to our international grain sale negotiations. Therefore I propose to move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):

That the government immediately invite organized labour to participate as a party in contract negotiations for the sale of Canadian grain to foreign buyers, to the end that grain movement is guaranteed to meet delivery commitments to foreign purchasers despite any lawful strike.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

OLYMPIC GAMES

SUGGESTED FEDERAL ACTION TO END UNCERTAINTY OF GAMES BEING HELD IN CANADA—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I too would like to move a motion under Standing Order 43. As there are no less than six federal departments already involved in the Olympic Games, and continuing problems threaten the very existence of the games in Canada, be they due to union blackmail or escalating deficits, and because of statements being made by members of the International Olympic Committee that the probability of the games moving to Mexico is in fact becoming a reality, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That in order to protect the government's involvement in the games and Canada's very own credibility, the government use its powers to involve itself directly in meetings with the IOC now being held in Lausanne, assess the over-all situation, and take direct action in bringing the existing uncertainty and chaos to an end.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

INDUSTRY

UNITED AIRCRAFT—SUGGESTED REIMBURSEMENT OF GRANTS IF WORK NOT RESUMED—MOTION UNDER S.O. 43

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

Considering that tomorrow, May 21, the QFL is to hold a study session in protest against the Quebec government's inaction with regard to the 20-month-old strike of United Aircraft workers that has been causing irreparable damage to the families of those workers, on the one hand, and to the Canadian economy, on the other hand, therefore I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That the House consider immediately what amounts have been paid to this company by different federal departments and what action should be taken to oblige that same company to reimburse the sums received within two weeks, if work has not resumed normally at the plants in Longueuil.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

ENERGY

CONSERVATION PROGRAM—REQUEST FOR ESTIMATE OF AMOUNT OF SAVING AND DETAILS OF PROGRAM

Mr. James Gillies (Don Valley): Mr. Speaker, I am sure that on the hottest day in May the Minister of Energy, Mines and Resources may not be thinking of energy conservation. On February 6, the minister said he could not give a specific goal for cutting back energy consumption because it would depend on the extent of co-operation from other departments. I should like to ask whether the minister is now in a position to say that the program he has planned will be sufficiently developed so that next winter he will be able to cut energy use by the one per cent which he proposes and hopes he can do?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am not sure I can be quite so specific at this point. Certainly, growth in the demand has moderated during the past winter, but the extent to which that was due either to higher prices or the impact of a milder winter we cannot yet be certain. My colleague, the Minister of Industry, Trade and Commerce and myself will be meeting at the end of this week with industry for the purpose of further mobilizing industrial support behind the conservation program. As I mentioned to the hon. member privately, I hope to be able to inform him and the House in a relatively short interval about some estimate of the impact of the program to this date, and some directions in which we would like to go hereafter.

Mr. Gillies: Mr. Speaker, in his statement the Minister of Energy, Mines and Resources said on February 6 that the goal of the program would be a number of government standards, regulations, incentives and investment programs. Were these what he was alluding to a moment ago in his reply, and will he be able to make these standards available to the public by next Monday?

Mr. Macdonald (Rosedale): Some of them, certainly, Mr. Speaker, particularly with regard to those of CMHC for insulation and other standards for home heating. I have impressed upon my colleague that for the benefit of the National Building Code it should be amended at an early date, and I would hope that the changes can be made available to the House. Given the timetable of that meeting with that particular group, which is a mixed government-private group, I am not certain we can achieve it within the time frame the hon. member is talking about, but that certainly would be one of our goals.

Mr. Gillies: Also at that time, Mr. Speaker, the minister suggested the major part of the conservation program in Canada would involve a series of tax measures. Without giving away any budgetary matters, could the minister indicate whether we can expect to find a series of tax proposals relating to energy conservation within the near future?

[Mr. Speaker.]

Mr. Macdonald (Rosedale): I am restrained to await the Minister of Finance in that regard, Mr. Speaker.

REQUEST FOR TABLING OF REPORT ON RESEARCH ON ALTERNATIVE SOURCES—STANDARDS FOR BUILDING INSULATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in view of the fact that the Science Council of Canada in its report yesterday entitled "Canada's Energy Opportunities" has recommended more intensive research and investment into renewable non-polluting energy resources as an important component in a national energy policy, and in view of the fact that the Minister of Energy, Mines and Resources stated on February 10 that his department had completed an assessment of research work that had been done at the federal level with regard to alternative energy sources, is the minister now prepared to table that document on the subject?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would remind the hon. lady that sometime ago I indicated that as soon as the document was completed and translated it would be laid on the table of the House.

Miss MacDonald (Kingston and the Islands): Further to the minister's comment with regard to insulation, Mr. Speaker, given that the new standards for insulation just released by CMHC do not meet the recommendations put forward by the joint energy industry task force or those recommended by the minister for conservation purposes, will the minister say why he and his colleagues were prepared to accept only half measures in this regard?

Mr. Macdonald (Rosedale): I would not agree with the hon. lady's premise, Mr. Speaker.

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FINANCE

SUGGESTED INVESTIGATION OF TAX DEDUCTIBILITY OF ADVERTISEMENT BY URBAN DEVELOPMENT INSTITUTE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the minister's attempts to get a consensus from business, labour and governments for an incomes policy to deal with inflation based on restraining their demands, will the minister look at the type of advertisements appearing in newspapers such as the Toronto *Globe and Mail* sponsored by IAC and the Urban Development Institute which are simply pleading their special interests as investors to see whether such ads should be permitted to be tax deductible.

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker; I will look into that.

FEDERAL-PROVINCIAL RELATIONS

ALLEGED SUPPORT OF PREMIER BOURASSA BY PRIME MINISTER IN DEALING WITH CONSTRUCTION UNIONS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As the Prime Minister has said that he backs the action the Premier of Quebec is taking following the publication of the Cliche report how does the Prime Minister, in giving his unqualified backing, justify Mr. Bourassa placing all the blame on Quebec construction unions going considerably farther than the report recommends while placing none of the blame or penalties on the members of the Quebec government and their civil servants who were seriously implicated by the report, and who remain unrestricted in their activities today and in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is the latest example of the hon. member's non-sequiturs. All I said was that the Premier of Quebec was right in saying the social order had pre-eminence over holding the olympics. That is all I said. If the hon. member wants to discuss my ideas about other things, he can ask about them independently in respect of Quebec.

Mr. Hees: Mr. Speaker, as the Prime Minister has indicated he does not support all that Mr. Bourassa is doing in respect of this report, I should like to ask him if he would come clean with this House and tell this Parliament just what aspects of Mr. Bourassa's program he does not agree with.

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

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EXTERNAL AFFAIRS

JAMAICA—GOVERNMENT VIEW OF ALLEGED STATEMENT BY HIGH COMMISSIONER CONCERNING TORONTO POLICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. It has to do with the very despicable murder of a boy of Jamaican origin, Michael Habbib, who was brutally murdered in the city of Toronto following which the High Commissioner for Jamaica in Canada charged the Toronto police as being extremely racist, uncultured and inhuman and made this statement:

> I am extremely dissatisfied with the administration of justice when there are clashes between my people and the police.

These statements are totally out of keeping with the position of one who is High Commissioner for another country to our country, and I would ask the Prime Minister whether he has been in touch with the Government of Jamaica in connection with these most reprehensible words and what the attitude of that government is to the statements I have brought to his attention.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member brought to my attention a statement to which I was not listening, because he did not say the question was directed to me and I must apologize.

Mr. Diefenbaker: I did.

Mr. Sharp: At the very end.

Mr. Trudeau: It was not until the very end that he mentioned my name. I will gladly read *Hansard* and see if I can supply an answer to the problem.

Mr. Diefenbaker: Mr. Speaker, apparently the Prime Minister was not listening. I referred to him at the very beginning and I always refer to him as "right honourable", a lesson he might learn about propriety in this House.

* * *

SOCIETY FOR STUDY OF THE HERITAGE OF CANADA

SUGGESTED REIMBURSEMENT OF STUDENTS DUPED BY THE SOCIETY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Secretary of State. Since the minister's department funded the Society for the Study of the Heritage of Canada to the tune of several hundred thousand dollars, thus assisting it to take advantage of the many students who are presently owed money, I should like to ask the hon. gentleman if he plans to make any funds available to reimburse or otherwise compensate those students who have been duped by the activities of an organization which apparently the government and the minister allowed to proceed with very little if any supervision or monitoring?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I think before the hon. member draws conclusions of that type he might wait for the report I promised him which is ready but is being translated into French, and which I hope to have either later this afternoon or tomorrow. After he has had a chance to read that, he might want to raise a question.

* * *

● (1420)

INDIAN AFFAIRS

REQUEST FOR ASSURANCE OF PROPER USE OF FUNDS FOR NATIVE STUDY PROGRAM UNDER AUSPICES OF SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

Mr. Elmer M. MacKay (Central Nova): I hope the minister will be able to deal with this particular aspect of the reimbursement of students who have been affected.

I have a supplementary question for the Minister of Indian Affairs and Northern Development. In view of the native study program announced from Ottawa in a press release from the minister's department on January 15 of this year, apparently under the auspices of the now insolvent Society for the Study of the Heritage of Canada, can the minister confirm that all the funds advanced pursuant to this program have been properly utilized, and, if not, where did these funds go, the minister, I am sure, being aware that the Stony Indians themselves cancelled their participation in this program some time ago?

Oral Questions

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not have the full details. As a matter of fact, I have asked for a report on the situation of the Stony Indians and I will have to come back with the information later.

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SUPPLY AND SERVICES

POLICY OF DEPARTMENT IN AWARDING CONTRACTS—REASON FOR AWARDING CONTRACT FOR SURVEYING ON WEST COAST TO TORONTO COMPANY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Supply and Services. Can he assure the House that it is the policy of his department to award contracts whenever possible to firms operating on a regular basis in the regions where the work is required?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Certainly, Mr. Speaker, whenever it is possible.

[*English*]

Mr. Fraser: Can the minister advise the House why the first extensive federal government contract in many years for surveying on the west coast was awarded to a Toronto survey firm, despite the fact that three British Columbia firms bid on the job, know the area, and have the expertise to do the work?

Mr. Speaker: Order, please. Surely, the hon. member must realize that that is not the kind of information the minister should have at his fingertips.

* * *

ENERGY

CONSERVATION PROGRAM—GOVERNMENT ACTION TO OBTAIN PUBLIC SUPPORT FOR PROGRAM—REQUEST FOR STATEMENT BY MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. What are his plans to try to galvanize public support for a conservation program pertaining to energy as it seems to me that what has been done so far has not caused a ripple? Does the minister intend, for example, to give the Canadian people a detailed report on what the government itself is doing or has done to conserve energy within its own sphere, to turn out some of its lights, for example?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I welcome the hon. gentleman's conversion to conservation in the energy field.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I would say, as I indicated to the hon. member for Don Valley, that we will be prepared to report on the programs to date and also on the measures taken. Indeed, we will be going ahead with further discussions with industry in this regard. I am glad to see opposition interest expressed in this.

Mr. Stanfield: Since the only thing the minister has done so far is to engage in a controversy with *Le Jour*, I should like to ask him whether he is going to outline to the House a program designed to get the Canadian people behind a conservation program which has become even more urgent with the pronouncements of the Shah of Iran, for example, that the world price of oil will probably be increased this fall. Can the minister give the House—not today but in the very near future—some outline of a program that will really elicit some support from the Canadian people and results from expenditures of some several hundreds of thousands of dollars in funds by the government of Canada?

Mr. Macdonald (Rosedale): A great deal of support has been elicited for the program to date in way of response to the specific advertisements and in expressions to me and members of the government concerning the efforts made to date. With regard to the reference to a possible international price increase, and indeed international efforts on conservation, I hope to be able to report to the House on this kind of question after the international meeting on energy next week.

* * *

[*Translation*]

INDUSTRY

UNITED AIRCRAFT—SUGGESTED REIMBURSEMENT OF GRANTS IF WORK NOT RESUMED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the absence of the hon. Ministers of Regional Economic Expansion and of Industry, Trade and Commerce, I would like to direct my question to the right hon. Prime Minister.

Since the conflict at the United Aircraft is still continuing without any sign of hope for a solution, and since the QFL plans a general strike day for tomorrow, May 21, 1975, in order to force the Quebec government to solve that labour dispute, may I ask the right hon. Prime Minister whether he is prepared to assist in the settlement of that conflict by forcing the company, if necessary, to reimburse the subsidies it has been or will be granted, were the corporation to resume work in Longueuil?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I understood well, the hon. member's question was directed to the Minister of Regional Economic Expansion or to the Minister of Industry, Trade and Commerce. I take notice of it on their behalf, and I will see to it that an answer be given to the hon. member.

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRISONMENT OF CERTAIN UKRAINIAN WOMEN IN SOVIET UNION—POSSIBLE INCLUSION IN AMNESTY ANNOUNCEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Secretary of

State for External Affairs. In view of representations made by the National Women's Council of the Ukrainian Canadian Committee in a recent letter to the Prime Minister concerning certain Ukrainian women imprisoned in the Soviet Union, and in view of the request of this council that the Canadian government make efforts to secure the release of these women, will the minister ascertain whether the announcement of amnesty, which came from Moscow over the weekend, included these particular persons? If not, will the minister pursue this matter on behalf of the Canadian people?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I will make the necessary inquiries and pursue the matter further.

* * *

AGRICULTURE

SUGGESTION ALL MEAT FOR HUMAN CONSUMPTION BE INSPECTED BY FEDERAL DEPARTMENT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that meat carcasses from diseased animals processed by Federal Packing Incorporated of Magog, Quebec and offered for sale to the general public as meat suitable for human consumption bore the provincial approved meat inspection stamp, would the minister confer with his cabinet colleagues to consider placing all meat inspection in Canada under the direct supervision of the federal health of animals branch of the Department of Agriculture to prevent any further such incidents from taking place?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this service is available to any provincial government which wants it, but it is not forced upon it.

Mr. Mitges: I realize this service is available, but in my opinion perhaps some direct action should be taken by the federal Department of Agriculture. Would the minister consider taking such action to prevent any further such incidents taking place?

Mr. Whelan: Mr. Speaker, we think that the sale of this meat is a deplorable thing. I have had discussions with my colleague the Minister of National Health and Welfare, and we will have further discussions, but it should be realized that this matter comes under provincial jurisdiction and that the province has the right to supervise that inspection if it so desires.

EGGS—POSSIBILITY OF CONTROLLING IMPORTS FROM UNITED STATES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask the Minister of Agriculture, who seems to be enjoying a low profile these days, how he is reacting to the request of the Canadian Egg Marketing Agency, which met in Ottawa last week, to have the border with the United States closed. Does he intend to meet this request, and if so, why?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as soon as it can be shown that the egg producers of Canada have their supply-management program in proper order—and they claim they do have but we are checking the facts on that at the present time—then we will inform our counterparts in the United States that we have a proper supply-management program which will take care of our needs, so they can expect that we would be asking for some control on imports into Canada.

CANADIAN EGG MARKETING AGENCY—GOVERNMENT ACTION TO ENFORCE QUOTAS

Mr. James A. McGrath (St. John's East): What steps is the minister taking to ensure that CEMA is operating within the quotas it has set out for its member agencies, how it enforces these quotas and if interprovincial trade in eggs is now free.

Hon. E. F. Whelan (Minister of Agriculture): We are doing that very thing, checking the agreements to make sure they are fulfilled. These all have to be checked out to make sure that the proper procedure is being followed, because I am not going to become involved in anything which will not be a properly managed program for egg production and egg sales in Canada.

● (1430)

INQUIRY AS TO PROVINCIAL JURISDICTION OVER INSPECTION OF MEAT IN INTERPROVINCIAL TRADE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is supplementary to that asked of the Minister of Agriculture by the hon. member for Grey-Simcoe. In view of the answer he gave, I should like to ask the minister who has responsibility for interprovincial trade if the provinces have jurisdiction over the stamping and inspection of meat travelling from one province to another?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, any meat that travels from one province to another is supposed to be federally inspected.

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LABOUR CONDITIONS

DATE OF DECISION ON PUBLIC INQUIRY INTO ACTIVITIES OF SEAFARERS' INTERNATIONAL UNION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Labour. It is some time since the SIU matter was placed in the minister's lap, but I notice that he and the Minister of Justice have been having a discussion this afternoon. Has the minister made up his mind what he is going to do with respect to the requirement for a federal inquiry regarding the activities of the SIU?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would advise the hon. member that I will be making a statement tomorrow with regard to this matter.

Oral Questions

MANPOWER

GOVERNMENT ACTION TO PREVENT ISSUANCE OF SOCIAL INSURANCE CARDS TO ILLEGAL IMMIGRANTS

Mr. Alan Martin (Scarborough West): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration. Will the minister indicate what steps he and his department may be taking to prevent the issuance of social insurance cards to persons who may be attempting to take up residence in Canada illegally?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the whole question of procedure and the issuance of social insurance numbers and cards is under review now, and I expect to make an announcement shortly.

* * *

[*Translation*]

OLYMPIC GAMES

REQUEST FOR ASSURANCE GAMES WILL NOT BE CANCELLED

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the right hon. Prime Minister.

In view of the fact that last week, in a statement on social peace, the Quebec Premier and the Prime Minister of Canada seemed to be prepared to cancel the 1976 Olympic Games and that such a statement is liable to make thousands of Canadians lose confidence although they believe in these Olympic Games, would the Prime Minister make a statement reiterating his government's support and assuring that his government will not let itself be intimidated by trouble-makers in the Quebec construction industry?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is apparently suggesting that I say what I have already said many times, including the end of his sentence.

* * *

[*English*]

EXTERNAL AFFAIRS

ISRAEL—GOVERNMENT VIEW OF ACTION TO ESTABLISH COMMUNITIES IN OCCUPIED ARAB TERRITORY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs with reference to the announced policy of the government of Israel to establish settlements of its nationals in the territories of sovereign Arab states now held by Israeli military forces. Considering the great need for peace in the Middle East, and the myriad of United Nations resolutions on occupied territories, will the minister consider using his good offices with the friendly government of Israel with a view to dissuading them from a course which is highly likely to exacerbate tensions in this already volatile area?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I should like to ascertain the facts of the situation before taking any course of action. I have heard the news reports to which the hon. member refers but I should like to get some more detail.

[Mr. Munro (Hamilton East).]

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IMMIGRATION

ALLEGED REDUCTION OF FUNDS FOR ENGLISH LANGUAGE TRAINING—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Two weeks ago last Friday I asked the then Acting Prime Minister a question with respect to grants for second language training in English at Algonquin College in Ottawa and other community colleges in Canada. The Acting Prime Minister undertook to obtain an answer. I wonder if the minister has had a chance to read *Hansard* of that date and if he is able to give an answer to the question.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I regret that I am not knowledgeable of the question. I will look into it and let the hon. member know as quickly as I can.

* * *

TRANSPORT

POSSIBILITY NEW POLICY WILL SPELL OUT DUTIES OF CANADIAN TRANSPORT COMMISSION AND MINISTER

Mr. Jack Murta (Lisgar): Mr. Speaker, a question for the Minister of Transport. Can the minister confirm or deny that the transport policy package he is going to bring down in the first part of June will spell out the specific duties of the regulatory body of the CTC, the minister and the government in order to prevent another ruling by the Supreme Court to determine functions and responsibilities regarding transportation matters? I ask this question in light of the ruling handed down by the Supreme Court that the CTC had no authority under the law to postpone the fare increases that were ordered on March 1.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, may I take this question as notice.

* * *

ADMINISTRATION OF JUSTICE

LAW ENFORCEMENT INTELLIGENCE UNIT—SUGGESTION UNIT HAS BEEN SPYING ON CITIZENS WITH NO LINKS TO ORGANIZED CRIME

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, last Wednesday I asked the Solicitor General a question about the Law Enforcement Intelligence Unit, a co-operative international police organization which has about 19,000 files on Canadian and American citizens. In light of the fact that the Houston, Texas police force has said that LEIU is involved in surveillance of citizens not involved in criminal activity and has col-

lected gutter gossip and because of the participation of Canadian police forces including those of Montreal and Toronto, the OPP and the federal Department of Manpower and Immigration in LEIU, has the minister investigated the charges made against LEIU?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the RCMP does not belong to this organization and does not contribute or receive any information. As a result, I cannot say anything more about it. We have no information about that organization.

LAW ENFORCEMENT INTELLIGENCE UNIT—SUGGESTED INVESTIGATION OF ACTIVITIES BY DEPARTMENT OF MANPOWER AND IMMIGRATION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): May I put a supplementary question to the Minister of Manpower and Immigration? In light of the fact that his department does belong to LEIU, can the minister assure the House that the allegations of improper activities of LEIU by the Houston, Texas police department which were subsequently confirmed by the Atlanta, Georgia police department are being investigated?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not know anything about this organization. I will take note of the hon. member's comments and look into it and try to get the information.

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TRANSPORT

SUGGESTION BY NOVA SCOTIA NO INCREASE IN FREIGHT RATES UNTIL NEW TRANSPORTATION POLICY ANNOUNCED—GOVERNMENT POSITION

Mr. Andy Hogan (Cape Breton-East Richmond): I have a question for the Minister of Transport. In view of the fact that the development minister of Nova Scotia has said that further increases in freight rates must not be imposed until the Nova Scotia government has received, and the federal government has considered, a new national transportation policy, may I ask the minister if he agrees with his Liberal colleague in the Nova Scotia cabinet on this matter?

Hon. Jean Marchand (Minister of Transport): Unfortunately, I have not read the statement of the Nova Scotia minister, Mr. Speaker. If the hon. member will send me a copy of what he said, then I can tell if it is the policy of the government.

Mr. Hogan: Mr. Speaker, I shall be glad to send the minister a copy of the statement. Will the minister agree that the Nova Scotia minister should be in a position to see clearly both the immediate and the longer-term impact that a further scheduled freight rate increase would have on investment and jobs in the province of Nova Scotia?

Mr. Marchand (Langelier): Mr. Speaker, a lot of people are going to see their way clear and probably the minister in Nova Scotia is one of them.

EXTERNAL AFFAIRS

POSSIBLE ENLARGEMENT OF NATO CONTRIBUTION TO MAKE CONTRACTUAL LINK MORE ACCEPTABLE TO EUROPEAN COMMON MARKET

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the Prime Minister's desire to forge a contractual link with the European Common Market, will he be going to the NATO summit meeting prepared to enlarge Canada's NATO contribution as a means of making the contractual link more acceptable to the European Common Market countries?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I do not link the two organizations as directly as the hon. gentleman seems to in his question. Our position in NATO has been stated before and it remains the same. In so far as the contractual link is concerned, I will be visiting Denmark for one day and Luxembourg for one day. During those visits, I shall be talking about contractual links.

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FISHERIES

GOVERNMENT ACTION TO HAVE UNITED STATES ACCEPT CANADIAN SWORDFISH

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Prime Minister and I have given notice of it to his office. Could the right hon. gentleman or one of his ministers advise the House of any initiatives taken by Canada regarding a question posed by me some weeks ago regarding efforts to restore the sale of Canadian caught swordfish to United States markets?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. gentleman for having notified my office of the question. I am informed that the United States still prohibits the import into all states of swordfish with mercury content in excess of .5 parts per million. That is the situation in the United States and that is the situation in Canada. There is no law against fishing the swordfish of course, providing the fishermen do not sell it to Canada or the United States if it has more than that percentage of mercury. As to whether that is necessary for the protection of the health of Canadians or Americans, I would, of course, defer to the Minister of National Health and Welfare. I know of no expertise in my office that would contradict that.

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OLYMPIC GAMES

SUGGESTED FEDERAL ACTION TO ENSURE GAMES TAKE PLACE IN CANADA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I address my question to the right hon. Prime Minister. Contrary to continuing government statements, I am certain that the Prime Minister is aware that his government is involved up to its neck in the floundering

preparations for the Olympic Games. Because of that fact, and the very good possibility of the games being moved to another site, can the Prime Minister advise this House whether he is concerned with the problems being encountered by COJO, Montreal and Quebec. If so, why is he not prepared to take the initiative to get directly involved in assessing the overall situation, perhaps by meeting directly with IOC officials in order to protect the federal government's involvement thus far and perhaps arrive at some satisfactory alternative that Montreal is afraid to take?

● (1440)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, these questions seem to be quite hypothetical. As far as the government is concerned, we are confident that the olympics will take place in Canada next year.

Some hon. Members: Hear, hear!

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FINANCE

PROPOSED REDEMPTION OF PERPETUAL BONDS AT PAR VALUE BY SENIOR CITIZENS

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Finance. In view of the fact the minister has stated that the perpetual bonds will be redeemed in 20 years, and in view of the fact many holders of these bonds are senior citizens who not only purchased the bonds in good faith but now find themselves in need of 100 per cent return on their investment due to the increasing cost of living, will the minister also keep the faith and permit the original purchasers of these bonds, when they reach the age of 65, to have the bonds redeemed at par value?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the difficulty there is to achieve an equitable way of redeeming the bonds without overly dislocating the market price to the prejudice of those who immediately prior sold their bonds. On the basis of the 20 year redemption, those bonds now carry an effective rate comparable to other bonds.

Mr. Towers: Mr. Speaker, my question was with regard to the original purchasers of the bonds who are now in a deplorable situation. Will the minister give consideration to that group of senior citizens who were the original purchasers of these bonds?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will not exclude any representations, but I am not too optimistic about the hon. member's submission.

[Mr. Jelinek.]

STATUS OF WOMEN

REFUSAL OF AIR CANADA TO ACCEPT DESIGNATION "MS"—GOVERNMENT ACTION

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I have a question for the Minister of National Health and Welfare in his role as defender of women's rights. Will the minister get in touch with Air Canada with regard to their practice of insisting that only the designation "Miss" or "Mrs." be used? They will not accept "Ms." as a designation. Will the minister determine why?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall be pleased to take the hon. member's recommendation as notice. I shall advise my hon. colleague the Minister of Transport and Air Canada; I am sure they will consider this matter seriously.

[*English*]

Mr. Saltsman: Can the minister indicate when he expects to complete this dialogue with the Minister of Transport and the Air Canada computer and report back to the House?

[*Translation*]

Mr. Lalonde: As soon as possible, Mr. Speaker.

* * *

[*English*]

LABOUR CONDITIONS

DATE OF BAYDA COMMISSION REPORT

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I wish to direct a question to the minister responsible for the Canadian Wheat Board. What progress has been made by the Bayda commission which is studying labour problems in the west coast grain handling industry? When can we reasonably expect to see the final report?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that question should be directed to the Minister of Labour.

Mr. Hamilton (Swift Current-Maple Creek): Mr. Speaker, I have a supplementary question for the Minister of Labour. What progress has been made by the Bayda commission which is studying the problems of labour unrest in the grain handling industry on the west coast, and when can we reasonably expect to see the final report?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, if my memory serves me right, Mr. Justice Bayda indicated he would have his report ready about mid-July. I will double check and get back to the hon. member.

TRANSPORT

INVITATION TO AIR CANADA AND CANADIAN NATIONAL RAILWAYS TO SUBSCRIBE FOR SHARES IN NEW BANK—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a question for the Minister of Transport. Is the minister aware that Boyd, Stott and McDonald Limited of Montreal is proposing to incorporate a new bank to be known as the National Commercial Bank of Canada, that an application for such incorporation has been made to the other place and, more specifically, is the minister aware that shareholders of the Boyd firm who have been invited to subscribe for shares in the new bank include directly or indirectly Air Canada and the CNR?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware of the details. I will take the question as notice and give an answer tomorrow.

SUGGESTED INSTRUCTIONS TO AIR CANADA AND CANADIAN NATIONAL RAILWAYS NOT TO INVEST IN NON-RELATED VENTURES

Mr. Sinclair Stevens (York-Simcoe): Bearing in mind we almost go into the travel agency business without, presumably, government approval, will the minister indicate if he has given instructions to the management of such Crown corporations as Air Canada or CNR that in future they should not make further investments in new non-related ventures without government approval?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, surely I cannot give instructions to Air Canada, or any other Crown corporation, on things which they are authorized by law to do.

* * *

FINANCE

REASON FOR DELAY OF BILL C-7 CONCERNING INCORPORATION OF BANKS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of this pending bank incorporation and the move by the British Columbia provincial government to set up its own financial institution to be known as the B.C. Savings and Trust Corporation, will the minister indicate why Bill C-7, a bill providing for speedier incorporation of banks and the possible provincial participation in the share ownership of banks, has been left in limbo for so long in this parliament after having similarly been left in limbo in the last parliament, bearing in mind this bill received first reading in this parliament eight months ago and there has been no further action on it?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I suppose the issue is primarily a question of House time. I will consult with the leader of the House.

PUBLIC BUILDINGS

SUGGESTION LIGHTS BE TURNED OFF TO CONSERVE ENERGY—GOVERNMENT ACTION

Mr. J. R. Ellis (Hastings): Mr. Speaker, I wish to direct a question to the Minister of Public Works. It is further to a question asked earlier with regard to energy conservation. There were recent advertisements in the press with regard to the Department of Public Works turning out lights in many buildings in Canada. We know that is not true, even in Ottawa. Has the minister taken steps to ensure that the lights in all public buildings in Canada are turned off after hours in order that the federal government will better conserve energy?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, I think I explained some considerable time ago that in the interests of economy and capital investment, a number of buildings which we occupy have master controls, but not individual controls. The result is that all the lights have to be on or all the lights have to be off. We are currently modifying this in order to have individual controls.

Mr. Ellis: When will the minister make a statement to the House on the progress being made on this work?

Mr. Drury: Mr. Speaker, such a statement can be prepared at any time. Perhaps the most appropriate occasion would be before the committee on the estimates.

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EXTERNAL AFFAIRS

ALLEGATION CIDA WITHHELD INFORMATION ON LOAN TO CUBA—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the Secretary of State for External Affairs. Since Mr. Gérin-Lajoie confirmed the fact that he wanted all financial details of the CIDA loan to Cuba to be suppressed and not made public in the press release, does the minister consider this attitude to be consistent with his avowed beliefs in open government and how many other examples are there where CIDA has deliberately withheld potentially embarrassing information?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am grateful to the hon. member for raising the question of Cuban financial assistance because there has been a good deal of misinformation floating around, either accidentally or otherwise. The facts are that in February I made a public announcement indicating the extent of financial assistance to Cuba. In February 1975, in a press release, I indicated the amount of the loan and the amount of the grant component. That is the only assistance available to Cuba that has been approved or that will be put into effect. Any other suggestions with regard to fictional or real documents refer to speculation and do not refer in any way to actual decisions or actual assistance.

Some hon. Members: Hear, hear!

Mr. Paproski: In view of the fact that my questions 1,480 to 1,511 have been on the order paper since February 5, will the Secretary of State for External Affairs advise whether one or two of my questions could be answered in a week or is there something to hide?

● (1450)

Mr. MacEachen: No, Mr. Speaker. The questions put down by the hon. member have been very much on my mind, but there has been a natural conflict between my desire for open government and my desire to curtail government expenditure; in this case, I believe that to answer all the hon. gentleman's questions fully would cost in excess of $10,000. Maybe a more selective approach on the part of the hon. member would relieve me of concern in that area and possibly provide him with the information he is seeking. I am suggesting he could tell me exactly what he wants without going over the whole waterfront.

Mr. Paproski: They are very simple questions, Mr. Speaker. All I would like to know is what criteria were used in awarding the contract and who was the low and high bidder. There must be a full file containing this information and if there is not, the government is incompetent.

PROPOSED ESTABLISHMENT OF SUBCOMMITTEE TO INVESTIGATE CIDA

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Since problems concerning CIDA appear to be cropping up ever more frequently, would the hon. gentleman be willing to support the establishment of a subcommittee of the Standing Committee on External Affairs and National Defence to look into the affairs of CIDA?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): That matter was dealt with in the standing committee itself. I am ready to deal in the committee or in the House with any questions relating to CIDA, though I hope they are based on sounder information than that which was put about with respect to the Cuban loan.

Some hon. Members: Hear, hear!

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CRIMINAL CODE

POSSIBLE AMENDMENT TO PREVENT THOSE UNABLE TO PAY FINES FROM GOING TO JAIL

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Justice. In view of the fact that a high percentage of those in our prisons are native Indians, many of whom are there simply because of their failure to pay fines, and since the hon. gentleman is bringing in changes to the Criminal Code, would he advise us whether among those proposed changes is a provision whereby those who do not have the money to pay fines will not be jailed because of their impecuniosity?

[Mr. MacEachen.]

Hon. Otto E. Lang (Minister of Justice): A proposal to make this particular change is not included in the amendments which are anticipated in the very near future. However, the whole subject is one which is receiving a good deal of consideration both within the government and within the law reform commission. I would anticipate some solution in the not too distant future.

Mr. Leggatt: Would the minister consult with his counterpart in British Columbia, where legislation has been in place for some time under the summary conviction act, with regard to the success of that legislation in reducing the number of Indians held in prison?

Mr. Lang: I am consulting very widely within a variety of jurisdictions, including certain other countries of the Commonwealth where interesting experiments are going on.

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TRANSPORT

SUGGESTED RECONSIDERATION OF DEPLOYMENT OF LIFEBOAT STATIONS IN NEWFOUNDLAND—REQUEST FOR TWO STATIONS IN WESTERN PART OF PROVINCE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is intended for the Minister of Transport—it follows the announcement of the creation of four additional lifeboat stations in the maritimes. A look at the map will reveal a very wide gap in the spacing of these stations, indicating a lack of appreciation of the factors governing the spacing of the lifeboat bases, particularly in western Newfoundland. Would the minister reconsider the deployment of these bases and see that at least two are located in the western part of Newfoundland?

Hon. Jean Marchand (Minister of Transport): I have seen the map and it is true there is a gap. We are now reviewing our rescue policy and this will probably be one of the matters we shall look into.

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NATIONAL PARKS

WOOD BUFFALO—POSSIBILITY OF OBTAINING OTHER LAND TO OFFSET PORTION REMOVED TO SATISFY NATIVE CLAIMS

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a question for the minister responsible for Indian Affairs and Northern Development. It concerns the removal of 42,000 acres from Wood Buffalo National Park in order to satisfy native claims under Treaty No. 8. Has the minister made any provision for obtaining other land suitable for national park purposes to offset this removal? Further, what is the policy of Parks Canada regarding the removal of land from national park status?

Mr. Speaker: The first part of the question deserves an answer but the second should not properly be asked during the question period.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Since the obligation to the Indian people for the treaty land antedated the creation of the park, we decided that this was an obligation we should honour. This was the decision taken by my predecessor and we are in the process of carrying it out. I would point out that the land in question represents only a minute fraction of the largest national park in Canada and that its removal from park status will not impair the value of the national park.

Mr. Elzinga: What guarantees, if any, have been negotiated to protect the park land surrounding the reserve areas?

Mr. Buchanan: The land is being excised. There are no guarantees. As far as the adjoining areas are concerned, they remain in the parks and are subject to the control which normally applies.

* * *

INQUIRY OF THE MINISTRY

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, in the absence of the Secretary of State I would direct my question to the Acting Secretary of State. What criteria were used to fund projects under the student community service program? Can the minister inform us why all applications from native people under Treaty 7, with the exception of one, were rejected?

Mr. Speaker: Order. That information should be sought in some other way.

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INDIAN AFFAIRS

ALLEGED POSSIBILITY OF DENIAL OF FUNDS IF LOCAL GOVERNMENT GUIDELINES NOT FOLLOWED—GOVERNMENT POSITION

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It concerns local government guidelines in connection with housing policy and education and the fear that if local Indian bands do not follow these guidelines their funds will be cut off. Will the minister tell us whether or not local bands will in fact be cut off from funds if they do not abide by these guidelines?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): These are guidelines which we have established for the operation of local government on the reserves; we feel they are reasonable guidelines having to do with normal administration, auditing and so on; we are asking the bands to agree to them and we expect they will be prepared to do so.

Mr. Malone: In view of the fact that according to a telegram I received this morning from the chief of the Samson band that there is to be a three-day conference concerning the guidelines in Edmonton on May 27, 28 and 29, would the minister allow some period of grace during which to hear representations from the Indian people who have some serious misgivings in connection with these regulations?

Mr. Buchanan: As far as these guidelines are concerned, I have already indicated to the Indian people that we are prepared to regard them as being of an interim nature; we would discuss them and review them after they have been in operation for a year. There are further guidelines which have not yet been proclaimed and we have stated we are prepared to hear any representations regarding them.

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THE BUDGET

DATE OF PRESENTATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a question to the Minister of Finance who, I think, undertook to tell the House this week when the budget will be brought down. After a beautiful weekend given to optimism and making decisions, is he in a position today to tell the House when he will be bringing down the budget?

Hon. John N. Turner (Minister of Finance): I shall be able to announce the date this week, Mr. Speaker.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. STEVENS—PROCEDURE FOLLOWED IN STANDING COMMITTEE—RULING BY MR. SPEAKER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, on Friday last I gave notice of a question of privilege which I proposed, with your consent, to raise today. The matter concerns the obstruction of the business of the Standing Committee on Finance, Trade and Economic Affairs—business which was referred to that committee by this House for consideration and report. This obstruction was carried out on Thursday, May 15, by the newly elected chairman, the member for York Centre (Mr. Kaplan), certain other members of the government party who are members of the committee, the Minister of Industry, Trade and Commerce (Mr. Gillespie), and the responsible officials of the office of the chief government whip.

● (1500)

During the course of the proceedings on the estimates of the Department of Industry, Trade and Commerce, with a quorum present, I moved that vote L20, being a vote of $38.1 million for the purchase by the government of Canadair, be reduced to $1. The chairman improperly permitted the minister, who had no status in the committee except that of a witness, to speak to my motion. During this delay, members of the government party, who were in a minority, left the committee without pausing to speak to

the motion. The chairman then ruled there was no quorum and refused to put the question. He did this by ruling that a member of the official opposition who was present was not a member of the committee inasmuch as neither he nor the committee clerk had been notified under Standing Order 65(4)(b).

If the Chairman had not been notified, as he alleged, Mr. Speaker, that was a deliberate failure for which the chief government whip is responsible. The appropriate change in membership had been effected by the responsible officials of the official opposition chief whip's office in plenty of time for the chief government whip's office to make the change. I point out, Mr. Speaker, that the government has a majority sufficiently large to supply members on committees at all times. Yet in this case they left one sole member on the committee, the hon. member for York Centre. There is no reason for these government members to be absent from their duties in committee and, if it please them, to outvote opposition members in committee under the rules. To fail in their duties as members but yet to obtain their way by trickery and obstruction markets them as devious, and the government to which they adhere as devious. I leave the conduct of the chairman and of the minister to their several consciences: I merely point out to the chairman that his conduct is not conducive to co-operation.

The result of this deviousness and obstruction of the business of the committee will probably be that vote L20 will not be considered; it will be deemed to have been passed and reported to the House. No consideration will have been given by the committee to the dubious expenditure of almost $40 million of public moneys for a questionable adventure. You will recall, Mr. Speaker, that the same Minister of Industry, Trade and Commerce circumvented the same committee in the last parliament with respect to a similar purchase.

Mr. Speaker: Order, please. I am sure the hon. member can confine himself to the events at hand.

Mr. Stevens: Thank you, Mr. Speaker. I am prepared to move, if you find my question of privilege is well founded:

That the subject matter of this question of privilege be referred to the Standing Committee on Privileges and Elections.

If Your Honour decides that the Standing Committee on Procedure and Organization is more appropriate, I will so change my motion.

Mr. Speaker: Order, please. I see the hon. member for York Centre (Mr. Kaplan) rising in his place to speak to the question of privilege. While this might tend to lend some balance to the remarks which have been put forward by the hon. member for York-Simcoe (Mr. Stevens), the fact of the matter is that both hon. members must realize that proceedings in a committee may be all of the things that have been described but they may have been otherwise motivated. However, surely it is not for the Chair to judge what the motivations were or whatever the actions were on the part of members of the committee as referred to by the hon. member for York-Simcoe.

The fact of the matter is that even if I accept all of the descriptions of the motivations involved and the results thereof, I am sure the hon. member is aware that even if

[Mr. Stevens.]

the descriptions were correct in every case, with regard to which I am sure there must be dispute—otherwise the hon. member for York Centre would not be seeking to enter the question—none of the actions so described constitute a question of privilege.

Mr. Lefebvre: Mr. Speaker, you have ruled that this is not a question of privilege, but since personnel in my office have been mentioned I think it is up to me to make sure that this is rectified, and with your permission I should like to do so.

Mr. Speaker: Order, please. I have ruled on the question of privilege without giving the hon. member for York Centre the chance to speak. Having ruled on it, I really feel that there should be no further comment.

Mrs. Appolloni: On the question of privilege, Mr. Speaker, I should like the record to show that the hon. member for York South (Mrs. Appolloni) was present at that meeting and doing her duty.

* * *

CRIMINAL CODE

PROVISION TO INCREASE PENALTIES FOR IMPAIRED DRIVING

Mr. J. R. Ellis (Hastings) moved for leave to introduce Bill C-391, to amend the Criminal Code (impaired driving).

Some hon. Members: Explain.

Mr. Ellis: Mr. Speaker, the bill I propose will provide for more appropriate penalties for conviction on charges of impaired driving. Specifically, the bill provides for penalties of imprisonment from nine months to ten years where death results, and from six months to five years where injury results. The bill further provides for stiffer penalties even if death or injury does not result. These range from a fine of $50 to $500 for a first offence to imprisonment for three months to 12 months for a third offence. In addition, conviction on any of these charges would result in loss of licence to drive for up to three years.

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

* * *

BUSINESS OF THE HOUSE

THURSDAY AND FRIDAY OF THIS WEEK ALLOTTED DAYS

Mr. Sharp: Mr. Speaker, I should like to confirm that Thursday and Friday of this week be allotted days, pursuant to Standing Order 58.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,150, 1,822, 1,831, 2,054, 2,057, 2,058, 2,062, 2,142, 2,174, 2,201, 2,211, 2,295, 2,367, 2,388 and 2,413.

Mr. Speaker, if question No. 1,556 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,030?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

NATIONAL CAPITAL COMMISSION—LEASES

Question No. 1,150—**Mr. Baker (Grenville-Carleton):**

For the years 1972-73, 1973-74 and 1974-75, what leases were awarded by the National Capital Commission and, in each case, what was the (a) type of lease (b) description of property (c) terms of lease and length (d) names and addresses of lessees?

Hon. Barney Danson (Minister of State for Urban Affairs): For the years 1972-73, 1973-74 and 1974-75, the National Capital Commission has negotiated leases and lease renewal agreements numbering between 1,300 and 1,500 per annum. The types of leases based on the kinds of property involved were varied, as the following approximate percentages for each year indicate: Farm and Market Garden Use, 10 per cent; Residential Use, 58 per cent; Commercial Use, 14 per cent; Open land used for Municipal, Institutional, Recreational and Conservation Use, 18 per cent. A description of each property, the terms and length of each lease and a list of names and addresses of lessees would be of a voluminous character and require an inordinate cost to prepare. In addition, many of the leases are the private concern of the lessees and publication might be considered a breach of confidence. If there are any individual leases about which details are required, this information can be provided.

CANAC LINGUISTIC SERVICES OF MONTREAL

Question No. 1,822—**Mr. Cossitt:**

1. What has been the total cost since its inception of all aspects of CANAC Linguistic Services of Montreal?

2. How many employees to date (a) of Air Canada (b) of CNR have received language training from this school (c) how many have been instructed in (i) French (ii) English?

Hon. Jean Marchand (Minister of Transport): The Managements of Canadian National Railways and Air Canada advise as follows: 1. CN/AC Linguistic Services was established in June, 1973 to provide translation, terminology and language training services to Canadian National and Air Canada. The total cost of operations from June, 1973 to December, 1974, the period for which figures are readily available was $2,078,037.

2. (a) 1,415; (b) 1,018; (c) (i) 2,254, (ii) 179.

Order Paper Questions

PRIVY COUNCIL OFFICE STAFF

Question No. 1,831—**Mr. Clark (Rocky Mountain):**

As of February 28, 1975 (a) how many individuals were employed in the Privy Council Office (b) how many were raised in Westmount and/or went to McGill University and/or studied at Oxford University?

Right Hon. P. E. Trudeau (Prime Minister): (a) 315. (b) Westmount, 3; McGill University, 9; Oxford University, 4.

*CMHC—NAMES OF LAWYERS ACTING IN CONSTITUENCY OF WELLINGTON-GREY-DUFFERIN-WATERLOO

Question No. 2,030—**Mr. Beatty:**

1. Since October 30, 1972 (a) what are the names and addresses of lawyers who were given work by CMHC in the Constituency of Wellington-Grey-Dufferin-Waterloo (b) by year, how much was paid to each for work on behalf of (i) CMHC (ii) the government?

2. What are the names of lawyers currently on CMHC's approved list within the Constituency?

3. Since October 30, 1972, what were the names of people consulted in determining what lawyers in the Constituency would be given business by CMHC?

4. (a) Were government members consulted about the allocation of business within their constituencies (b) was the Member for the Constituency of Wellington-Grey-Dufferin-Waterloo consulted about the allocation of business within the area and, if not, for what reason?

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in view of the length of the answer, may I be permitted to have it appear in *Hansard* as if it had been read?

Mr. Speaker: In view of the length of the question, is it agreed that the parliamentary secretary be permitted to file the question and it be appended to *Hansard* as if it had been read?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above follows:*]

Mr. Pierre De Bané (Parliamentary Secretary to Minister of State for Urban Affairs): I am advised by Central Mortgage and Housing Corporation as follows: 1. For loans approved in 1973 and 1974 in the counties of Dufferin, Grey and Wellington, the following lawyers were retained by Central Mortgage and Housing Corporation for legal work in connection with CMHC direct loans: Fergus—Wilson, Jack and Reycraft, J. Cecil Wolfe; Guelph—A. Aiken, A. Braida, Frank O. Brewster, Grant A. Campbell, Stanley Flesher, John T. A. Gamble, Q.C., G. W. Goetz, W. C. Hamilton, J. W. Matthews, Brian M. McCann, P. J. Morris, C. L. McKinnon, Q.C., A. J. Moon, Frederick P. Moyer, Q.C., Ronald G. Sansom, David C. Smith, R. Paul G. Smith, A. Edward Thoms, J. E. Valeriote; Hamilton—J. F. Easterbrook,; Kitchener—James R. Breithaupt; Markdale—J. Arkle Dunlop, Q.C.; Orangeville—Miss Carol A. Allison; Owen Sound—McLeod A. Craig, Q.C.; Toronto—Hassard, Elliott. Legal fees with Central Mortgage and Housing Corporation direct loans are paid by the borrowers, and CMHC, therefore, has no record of the amounts paid to these lawyers. The following lawyers were retained in 1973 and 1974 to handle actions where arrears on loans required legal action: Legal Actions: Fergus—Wilson, Jack and Reycraft; Guelph—C. L. McKinnon,

Q.C., G. Hayes Murphy; Orangeville—H. Clark Adams, Q.C.; Owen Sound—Telford and Van Wyck. Where actions are settled prior to trial, the costs are paid by the borrower and Central Mortgage and Housing Corporation has no records of the amounts.

2, 3, and 4. The Minister of Justice, in accordance with the responsibilities imposed upon him by his position, recommends from time to time names of legal agents across Canada who are best able to perform the legal work that the Government of Canada or certain of its agencies may require to have done. All governments have observed the unchallanged principle that the choice of agents to act on behalf of the Minister rests with him, and that the criterion for appointment is one of competence. Advice on appointment of legal agents is taken from numerous sources including, at times, local bar societies. The final choice of legal agents is simply a matter of judgment, and there is no single set procedure for receiving recommendations. Present practice with respect to CMHC is that, with the approval of the Minister of Justice, the Minister of State for Urban Affairs from time to time provides CMHC with the names of legal agents who might be employed by CMHC in various municipalities throughout Canada.

NATIONAL DEFENCE—PARLIAMENTARY RETURNS OFFICE

Question No. 2,054—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of National Defence?

Hon. James Richardson (Minister of National Defence): The Parliamentary Returns Office of the Department of National Defence operates as a subunit within the Directorate General of Information which is responsible for a wide range of information functions and duties. It is not possible to separate costs for Parliamentary Returns work from the overall operating cost of this directorate.

PRIME MINISTER'S OFFICE—PARLIAMENTARY RETURNS OFFICE

Question No. 2,057—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Office of the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): There is no Parliamentary Returns Office as such in the Prime Minister's Office and the Privy Council Office. Parliamentary Returns are handled by the office of the Director of Administration, Privy Council Office.

PRIVY COUNCIL OFFICE—PARLIAMENTARY RETURNS OFFICE

Question No. 2,058—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Privy Council Office?

Right Hon. P. E. Trudeau (Prime Minister): There is no Parliamentary Returns Office as such in the Prime Minister's Office and the Privy Council Office. Parliamentary Returns are handled by the office of the Director of Administration, Privy Council Office.

[Mr. Bané.]

DEPARTMENT OF SOLICITOR GENERAL—PARLIAMENTARY RETURNS OFFICE

Question No. 2,062—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of the Solicitor General?

Hon. Warren Allmand (Solicitor General): The Parliamentary Returns Office is not a separate entity but operates as a unit within the Ministry Secretariat which reports to the Deputy Minister. It is not possible to separate costs for Parliamentary Returns work from the overall operating cost of the Secretariat. The foregoing reply is applicable also to those persons to whom the Heads of the Royal Canadian Mounted Police, the Canadian Penitentiary Service and the National Parole Board have delegated responsibility in relation to Parliamentary Returns.

POST OFFICE DEPARTMENT

Question No. 2,142—**Mr. Herbert:**

1. Is it the intention of the government that the Post Office Department be financially self-supporting and (a) if so, by what date is it intended to reach that objective (b) if not, to what extent is it intended to subsidize the Department over the next few years?

2. Is it planned to subsidize specific sectors of the economy by low mail rates and, if so, what are the priorities and will the matter of Canadian or foreign ownership be a consideration?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. The Post Office Act under which the Post Office Department is managed contains no reference to financial self-sufficiency nor does current government policy call for this achievement. (a) Not applicable; (b) The funds required to meet anticipated expenses each year are voted by Parliament after consideration of departmental estimates. Major postage rates are also set by Statute. The extent by which expenditures may exceed revenues is, therefore, at the discretion of Parliament.

2. There is no specific policy to subsidize, by low mail rates, specific sectors of the economy. The excess of expenditures over revenues for the department is regarded as a necessary cost of providing postal service to all citizens rather than a subsidy to specific mailers. The effect of Canadian or foreign ownership on rates will be a matter for Parliament to decide.

ROYAL MILITARY COLLEGE AND ROYAL ROADS MILITARY COLLEGE—BILINGUALISM

Question No. 2,174—**Mr. Cossitt:**

1. What are all the reasons that the government has designated the Royal Military College, Kingston, Ontario, bilingual?

2. What are all the reasons that the government has not yet designated Royal Roads Military College, Victoria, British Columbia, bilingual?

3. What are all the reasons that one college is being treated differently than the other to date?

4. What part has politics played in this situation?

Hon. James Richardson (Minister of National Defence): 1. The decision to extend instruction in both of the official languages at the Royal Military College is consistent with the implementation and development of Government policy on bilingualism.

2. At present Royal Roads Military College offers only the first two years of university training and students attend RMC for the final two years of the four-year course.

3. There is no difference in treatment, except for the timing of implementation of the programme of institutional bilingualism.

4. None.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EMPLOYMENT OF INDIANS AND INUITS

Question No. 2,201—**Mr. Firth:**

1. (a) How many Indians and Inuits are presently employed by the Department of Indian Affairs and Northern Development on a (i) casual basis (ii) contract basis (b) in which branches are they employed (c) what were the number of persons employed in (i) clerical (ii) executive (iii) administrative categories for the fiscal years 1970-71, 1971-72, 1972-73, 1973-74 and 1974-75?

2. What was the amount of money spent for training programmes operated by the Department for Indian bands (a) band management (b) housing (c) education (d) economic development for the fiscal years 1970-71, 1971-72, 1972-73, 1973-74 and 1974-75?

3. In determining the position of Director of the Operations Branch in the Department, was the National Indian Brotherhood involved and, if so (a) in what way (b) how many applications were received (c) how many applicants were interviewed for the position?

Mrs. Iona Campagnolo (Parliamentary Secretary to Ministry of Indian Affairs and Northern Development): 1. (a) (i) 338. (ii) Figures for employment on a contract basis are not available. (b) Indian and Eskimo Affairs, 207; Northern Affairs, 13; Parks Canada, 111; Administration, 7. (c) Breakdown by categories is not available.

2. (a) Band management, (b) Housing, (c) Education, (d) Economic Development, 1970-71—figures are not available, 1971-72 (a) $353,220; (b) nil; (c) $64,189; (d) $1,950; 1972-73 (a) $213,135; (b) $7,115; (c) $68,603; (d) $17,033; 1973-74 (a) $246,796; (b) $15,865; (c) $195,821; (d) $38,481; 1974-75 (as at Dec. 1974) (a) $176,098; (b) $1,750; (c) $62,368; (d) $22,212.

3. No. (a) not applicable; (b) none; (c) none.

PRIME MINISTER'S RESIDENCE—SWIMMING POOL

Question No. 2,211—**Mr. Cossitt:**

With reference to the Prime Minister's statement in the House of Commons on March 26, 1975 to the effect that he did not know the names of those donating money for construction of a swimming pool at his Official Residence, what are the names and job designations of all persons in government service or employ who do know any or all of the names?

Right Hon. P. E. Trudeau (Prime Minister): Appropriate officials in National Revenue.

CBC'S COVERAGE OF PRIME MINISTER'S TRIP TO CARIBBEAN

Question No. 2,295—**Mr. Cossitt:**

What is the name and job designation of the individual in CBC who decided how many and what personnel are to be assigned to cover the forthcoming visit to the Caribbean, including Jamaica, by the Prime Minister (a) what is the reason for 22 persons being selected (b) what are their names and job designations (c) what is the total amount budgeted for expenses of all those concerned (d) what is the cost of transportation for the group and what is a full description of the means of such transportation including the aircraft?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: As for the main question and parts (b) and (c), it has not been customary to require the CBC to supply such details of its internal management and administration. As for part (a), the persons selected were assigned in connection with the differing requirements for news and special program coverage of four networks in the respective languages of those networks. The networks are: the English television network, the English radio network, the French television network and French radio network of the CBC. (d) The group paid normal commercial rates for space in either the Prime Minister's aircraft or, in some cases, on scheduled commercial flights.

RESERVES OF CHARTERED BANKS

Question No. 2,367—**Mr. Beaudoin:**

1. What is the actual amount of the reserves of each chartered bank held by the Bank of Canada?

2. During the past five years, on what dates were the amounts changed and to what extent?

3. What were the profits gained by each chartered bank through such changes?

Hon. John N. Turner (Minister of Finance): 1. As stipulated by Section 72 of the Bank Act, chartered bank cash reserves may be maintained in the form of notes of, and deposits in Canadian currency with the Bank of Canada. Information is not published for each bank on the amounts of these two components separately; the combined total is shown below for the latest month available.

Notes of and deposits with Bank of Canada
(As at February 28, 1975)

Name of bank	Amount (thousands of dollars)
Bank of Montreal	667,412
The Bank of Nova Scotia	396,333
The Toronto-Dominion Bank	415,058
The Provincial Bank of Canada	105,785
Canadian Imperial Bank of Commerce	678,620
The Royal Bank of Canada	789,728
Bank Canadian National	174,470
The Mercantile Bank of Canada	20,163
Bank of British Columbia	4,999
Unity Bank of Canada	6,674
Total	3,259,242

2. The chartered banks are required under the Bank Act to hold reserves against their Canadian-dollar deposit liabilities amounting to twelve per cent of those liabilities payable on demand and four per cent of those payable after notice. The amount of cash reserves actually held by each chartered bank changes daily, primarily in response to clearings of cheques among the banks themselves and the public's demand for Bank of Canada notes but also as

a result of changes brought about by the Bank of Canada in total reserves.

3. Bank of Canada notes and chartered bank deposits with the Bank of Canada do not bear interest. The chartered banks therefore do not gain any revenue from their holdings of cash reserves.

TRADE UNIONS—SECURITY BRIEFINGS

Question No. 2,388—**Mr. Rodriguez:**

With reference to the answer to Question No. 973, were any briefings as described delivered to any trade unions and (a) if so, in what locations and on what dates (b) if not, for what reason?

Hon. Warren Allmand (Solicitor General): No. (a) Not applicable. (b) No requests for such briefings have been received by the Ministry of the Solicitor General from trade unions.

NUMBER OF PORTS OF ENTRY IN CANADA

Question No. 2,413—**Mr. Dick:**

What was the total number of ports of entry in existence in Canada and recognized by the Department of National Revenue for each year (a) 1900 (b) 1910 (c) 1920 (d) 1930 (e) 1940 (f) 1950 (g) 1960 (h) 1970 (i) 1971 (j) 1972 (k) 1973 (l) 1974?

Hon. Ron Basford (Minister of National Revenue): (a) 406; (b) 413; (c) 492; (d) 506; (e) 340; (f) 340; (g) 399; (h) 356; (i) 342; (j) 339; (k) 335; (l) 334.

* * *

QUESTION PASSED AS ORDER FOR RETURN

ALBERTA—ARCHITECTURAL AND ENGINEERING SERVICES

Question No. 1,556—**Mr. Andre:**

During each year 1972, 1973 and 1974, how much money was paid to Alberta firms for the purchase of architectural and engineering services?

Return tabled.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege with regard to the answers given to questions on the order paper. With regard to Question No. 2,238, I feel the reply given does not do justice to the provinces of Quebec and Ontario. Since the question dealt with the publication of the debts of the provinces within Confederation on July 1st, 1867, and the figures were not given for the provinces of Quebec and Ontario, I should like the parliamentary secretary to give special attention to that question and complete the answer, if possible, at the first opportunity.

[*English*]

Mr. Paproski: Mr. Speaker, again I rise on a point of order regarding my questions 1,480 to 1,511 inclusive. Today, during the question period, the minister of external affairs said that these questions were going to cost $10,000

[Mr. Turner (Ottawa-Carleton).]

to lay on the table as orders for return. The last time I asked this question, which I think was two sessions ago, the parliamentary secretary to the House leader explained that it was going to cost $1 million to answer one question, and I found out after searching some files, particularly a computer file, that it cost only $256. The minister is now saying to the House that the answers to these questions will cost $10,000.

● (1510)

If the department does not have files to which they can refer for these particular contracts, especially a department that has $1 billion to work with, and therefore cannot come up with these figures, there is something wrong or the department is incompetent. We in this House should try to find out exactly what kind of a filing system the department has and just what we have to do to get these figures.

I am sorry the minister felt he should take the opportunity during the question period to stick it to me, if you will allow me that expression, but I really think he has to come up with an answer and I intend to keep pressing him for it.

Mr. Clark (Rocky Mountain): Mr. Speaker, I rise on a point of order relating to question No. 2,465 to which a response but not an answer was given the last day. The question sought to trace the number of executive assistants, special assistants and other exempt staff and employees of ministers who have been filtered in under the exempt staff provisions to the public service and various agencies. I had asked a similar, but longer question earlier specifying a much larger category of staff including secretaries, consultants, advisers and the like.

The response to the earlier question was that it would take too long to answer. While not accepting that, I nonetheless shortened my question considerably to only three categories of personnel appointments, namely, research assistants, special assistants and executive assistants. This involves a small number of people who would be easy to trace if the government wanted to reveal the degree to which it is putting these political appointees into the public service. The government does not want to do that, and for that reason it has not answered the question.

I raise the matter now as a point of order, to point out that the government is hiding from public view the degree to which it is filtering political appointees into the public service under the exempt staff provisions.

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

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

ENVIRONMENTAL AFFAIRS

GARRISON DIVERSION PROJECT—DAMAGE TO ENVIRONMENT THROUGH CONSTRUCTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise, pursuant to Standing Order 26, to ask leave to move the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration. The specific and important matter is in respect of the damage which will be caused to the Canadian environment by the construction of the Garrison diversion project and the lack of positive action by the Canadian government to prevent such damage. There must be a debate so that the Canadian and United States governments become aware of these dangers and act promptly to prevent them. If my proposal is accepted, I will move the adjournment of the House, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale).

Perhaps I could give a brief explanation at this time. There is evidence that the U.S. Bureau of Reclamation is attempting to complete the Lonetree reservoir as quickly as possible regardless of protests and studies currently being conducted. This reservoir is the last connecting link between the Missouri River basin and the Red River drainage basin and is considered the point of no return for the project. It will be completed in a matter of months, the necessary funds having been authorized in March by President Ford.

The following agencies have acknowledged that Manitoba will be hurt by the Garrison project: the Canadian government, the Manitoba government, the U.S. Environmental Protection Agency, the U.S. State Department, the U.S. Congress, the Comptroller General and the Department of the Interior. The United States State Department, in a letter dated February 15, 1975, made public March 5, said that it believed continued negotiations on a diplomatic level between the United States and Canada would likely result in nothing more satisfactory than a stalemate.

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, but I feel that his explanation of the background of the circumstances up to this point is certainly adequate to enable me to make a ruling, particularly when coupled with the actual motion itself which is fairly clearly descriptive of the situation.

I have not the slightest hesitation in accepting the circumstances of the problem the hon. member has exposed in his motion and explanation as being of the utmost importance. I have some reservation about the timing, as it would appear that there will be considerable opposition within the United States to this last step described in the hon. member's remarks as the point of no return. There does seem, certainly, to be urgency about that last step taken in the United States in respect of the fate of environmental conditions in Manitoba.

The reason I am not accepting the application for an emergency debate at this time has nothing to do with the importance of the matter or its urgency, but relates, rather, to the other part of the Standing Order which refers to the opportunity of an hon. member for bringing a matter to the attention of the House in other ways. This matter has been raised several times during this session already by the hon. member and by others. The estimates of the Minister of the Environment (Mrs. Sauvé) have now been before the standing committee for some time, as have been and still are the estimates of the Secretary of State for External Affairs (Mr. MacEachen).

The effect of the estimates of both these ministries, as well as perhaps others, being before the standing committee would provide, and continue to provide, the hon. member with an opportunity to question the minister in such a way as to pin him down very specifically on this problem. In light of that opportunity, coupled with the rather high percentage of allotted days which remain in the less than two months—about five weeks—prior to the summer recess, as well as other suggested means of bringing matters to the attention of the House, this would recommend itself to the Chair at this moment as being adequate means in the hands of the hon. member for disposing of this problem, or at least of requiring the minister to give a direct answer either before the standing committee or before the House.

I find, therefore, that while the problem is important and urgent, the hon. member ought to enjoy, within a reasonable time, an adequate opportunity of bringing this matter before the House in other ways, considering the timing of the problem and the opposition to it in the United States.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Friday, May 16, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, I appreciate this opportunity to continue my speech in connection with Bill C-58, with amendments to section 19 of the Income Tax Act by deleting from its subsections (2) and (4). Foreign magazines, notably *Time* and *Reader's Digest*, can if they wish, and I am sure they will, continue to operate in this country, but Canadian advertisers will no longer be able to deduct the cost of their advertising when dealing with the Minister of National Revenue. I stress that because there seems to me to be a misconception across Canada that if this bill is given third reading, somehow *Time* and *Reader's Digest* will cease publication. That is simply not the case. This is simply the withdrawal of a special concession or special privilege, a privilege which perhaps should never have been granted as it was ten years ago.

There has been a great deal of response to this action on the part of the government, some of which has come from *Reader's Digest*. Its publishers have launched a campaign to persuade its subscribers to, shall I say, pressure Ottawa on their behalf and lobby members of parliament to block the tax act amendments announced by the Secretary of State (Mr. Faulkner).

In a plea to its subscribers, *Reader's Digest* has said "our fate is now in parliament's hands". That was stated on an enclosure to the *Reader's Digest* edition of March, 1975. *Reader's Digest* then outlines its contribution in the 32 years in which it has been distributed in Canada: it goes on to list these major contributions. *Reader's Digest* probably does have a good history of useful function in Canada, but I submit that is entirely aside from the point. The point is—which I must refer to once again—that this is a matter of special tax privilege and what we have done in the past with *Reader's Digest* and *Time* is not a mandatory blueprint for the future.

● (1520)

Our Income Tax Act states clearly that a magazine or newspaper must be 75 per cent Canadian controlled before advertisements placed in it can be considered deductible as a business expense. *Reader's Digest* and *Time* are not 75 per cent Canadian owned, yet for the past ten years they have been exempt from this provision. That is a special privilege. It seems to be manifestly unfair that two of the richest and most powerful magazines in the world should enjoy special tax privileges not granted any other major foreign magazine or newspaper.

Phasing out a privilege wherever it may exist should be one of the toughest challenges facing this or any other government. I am pleased that this government has taken decisive action in this case. *Reader's Digest* states that the effect will be calamitous. I believe, instead of threatening suicide as they are, *Reader's Digest* and *Time* magazine should set about the business of planning constructively for their survival without tax privileges; or are we to infer that these magazines are claiming the right to a perpetual privilege? Perhaps that is what happens when a privilege by any group, large enterprise, corporation or large magazine has been held for too long.

I submit that a period of ten years is too long and that the action of this government is overdue. Removal of this privilege from the Income Tax Act obviously is overdue. Some hon. members mentioned mail they have received on behalf of *Reader's Digest* and *Time* magazine, but to my knowledge no one has referred to the other side of the picture. A letter I have received from the Canadian Periodical Publisher's Association, whose members have a combined circulation of 1.3 million, states it would like to confirm that it supports Bill C-58. The letter also states:

> We firmly believe that with *Time Canada* and *Reader's Digest* competing with Canadian magazines on an equal basis, there will be exciting new work for more writers, designers, photographers, printers, typographers and others in the graphic arts across Canada.

They say that Canadian magazines will become bigger and better, sounder financially and more significant culturally. They also say there will be more magazines. I do not know whether there will or will not. I am sure that if *Time* ceases its Canadian edition we will still read its international edition. I am sure, if *Reader's Digest* ceases its Canadian publication, it will still be everywhere in Canada. I am not sure what will happen to our Canadian magazines. I suppose there will be more work for writers, but I do not think it matters. I hope they will thrive, but that is their problem. I hope that *Reader's Digest* and *Time* will continue to thrive, but that is their problem.

My problem, and I submit the problem of the government, the taxpayers, and our problem in representing the taxpayers, is to ensure that a special privilege is given to no one. That is my problem at this time, and I submit it should be the problem of all hon. members in this chamber. *Maclean's* magazine announces that it will begin publishing every second Monday commencing with the October 6, 1975, issue. Good for *Maclean's*; I hope it survives. But *Maclean's* is not my problem.

Much has been said in this debate: the hon. member for Calgary North (Mr. Woolliams) has gone so far as to quote from the Bill of Rights. I have carefully read *Hansard* and fail to see how reading from the Bill of Rights to substantiate the hon. member's argument is in any way linked to withdrawal of special privileges for some large corporations. I, too, should like to quote from the Bill of Rights as recorded in *Hansard* at page 5888. There is a reference to freedom of speech, freedom of assembly and association, and freedom of the press. By all means let us have freedom of the press. Let the publications flourish or go bankrupt. I submit that is not the basic problem. We will give the press freedom to make $1 million, as some syndicates have, and freedom to cease publication, as some have done.

But I stress, again, that there is a misconception across the land that *Time* and *Reader's Digest* are somehow being barred or censored from coming into Canada. They have not been, they are not now, nor will they be. It is a simple matter: we are stopping their welfare cheques; we are stopping the special privileges. Neither this government nor any other government, for that matter, has ever told Canadians what to read. This government is not telling anyone what to write. It is simply telling all magazines that in order to take advantage of the tax concession designed for Canadian magazines, they must be Canadian; and if *Time* or *Reader's Digest* or any other publications wish to conform to these suggestions, then that is their decision.

We are not telling them how to conform. We are not telling them what to publish or when to publish. What we are saying is that we are giving them special tax concessions which have been going on for ten years, and that ten years is long enough. I submit there is no cogent argument for continuing these tax concessions. I believe they should never have been granted in the first place. We will listen to more arguments when this matter goes before the broadcasting committee, of which I am a member, but I have yet to hear an argument for continuing special tax privileges to anyone.

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, it is a privilege to rise this afternoon in a debate that is of considerable moment in the history of publishing in this country. It is momentus because it concerns something very dear to the hearts of our people—their nationalism and their national interest.

One feels that the minister, in presenting the bill and when preparing the speech which he delivered a week or so ago, was desirous of making the maximum impact by clothing his words with an authority which he may have felt might escape him. We do not know who was the speechwriter, but one could imagine that when considering an idea that would work, the adviser perhaps indicated that eons ago a great leader had used ten imperatives, and the minister jumped at the idea. Wanting to know where they could be obtained, he was told it would mean climbing a mountain. The minister's being skeptical concerning whether he should attempt that and whether he should take all that much time out of his busy schedule prompted the speechwriter to say that he did not know whether or not the public would go for ten imperatives, and the minister probably said, "Let us try eight." So that cleared away that difficulty.

One suspects that rather than climb the mountain, they climbed the CNR tower in Toronto and from that great height surveyed all the Canadian publishing empire that the minister and his advisers felt mattered, and the minister came down from the tower with the eight that were presented to the House in the debate on May 8. I do not wish to suggest for a moment that these eight are linked in any way with the original ten. I do not wish to suggest for a moment that they have the same force or commandment or that they will remain in the history of this nation as long as the others have remained in the history of the world. I think we could probably call them the eight no-no's of Canadian publishing, rather than refer to them as commandments. They make an interesting list. I shall not read them all but I wish to draw attention to three of them. The third one reads:

Third, we do not want the continuance of a situation wherein the world view of Canadian readers is being influenced by American periodicals the operations of which in Canada are facilitated by a tax deduction provision primarily intended to assist Canadian publications.

● (1530)

I would suggest that there is a difference between the world view and the universal view. The *Reader's Digest* application to its subscribers for support drew a remarkable response. In spite of the words of the hon. member for Burnaby-Seymour (Mr. Raines) whom we have just heard, the response was remarkable. In the brief debate on this bill several hon. members have referred to the size of the response surpassing any similar, mailed correspondence in the history of this parliament.

In the fourth point made by the minister, he said:

Fourth, we do not want the continuance of a practice whereby the stories and articles reproduced in the French language Canadian edition of *Reader's Digest* are usually translated outside Canada.

If we look at the history of these events we find that *Reader's Digest* published its first edition at a time when there was not the same sensitivity to "la langue française vivante" that there is at present in this country. Surely that practice is one that can be easily altered by negotiation between the Department of the Secretary of State and the magazine. In his eighth point, the minister said:

Eighth, we do not want the continuance of a Canadianization progress record which, after thirty years, finds *Time* in Canada still owned and controlled entirely by Time Inc. in the United States and publishing perhaps 10 per cent Canadian content; and *Reader's Digest* only 30 per cent Canadian-owned and carrying in its English language edition about 25 per cent and, in its French language edition, about 15 per cent Canadian content.

I suggest that in the eighth point in his list the minister has gone a long way toward separating the two publications, although in all the announcements and pronouncements he and his department have made they have carefully twinned the two publications. Considering the facts presented in his own eight imperatives to Canadian publishers, one could have substituted "but" for "and" preceding "*Reader's Digest*" and omitted "only" altogether, because there is a considerable difference between zero and 30 per cent.

Again, I think that this could be a matter of negotiation between the magazine and the department of the minister in terms of increasing the Canadian ownership of the magazine and the editorial direction of the Canadian issue of *Reader's Digest* because surely the editorializing that goes on in that magazine is considerably different from that in *Time* magazine which by its very nature as a weekly news magazine is in a considerably different position to influence the world view of Canadians, if the minister feels that their world view is being so much influenced by that magazine.

I find that in the mailing that has come to me from my constituents they have separated the two magazines very sharply. It should be remembered that *Time* also appealed to its subscribers by way of an insert in the magazine and asked them also to write to their members of parliament. But there is a wide discrepancy between the number of constituents who took advantage of that opportunity with respect to *Time* compared to the many who wrote concerning *Reader's Digest*. They wrote their letters by hand with respect to *Reader's Digest*. They did not fill out a form and sign their name at the bottom; they sat down and wrote to me by hand. They wrote about *Reader's Digest* as one would about an old friend or a relative. They were not worried about its influence on their world view, but they were concerned about some of the universals in terms of conduct, morality and standards that they feel are important.

They gave a variety of reasons why they felt the Canadian issue of that magazine should continue to exist in Canada. One of the reasons, of course, was its Canadian content. A variety of people pointed to specific articles that they had read which they otherwise would not have had the opportunity to read, articles by Canadian authors, articles on Canada and articles that meant a great deal to them. They wrote about it being one of the few magazines left that is safe to leave lying around the house where young children can find it, because they believe it upholds a level of morality and virtue that is difficult to find being upheld in the periodicals that are being sent throughout the country at present. I suggest that the minister, who is so concerned about the state of Canadian and American publishing and who has made various statements saying he does not want to prevent anything from coming into this country, might do a survey of the newsstands, as some of my constituents have done, and look at the nature of a great deal of the material that is coming into the country in vast quantity.

I agree with the hon. member for Burnaby-Seymour that Canadians would probably buy American editions of these two magazines, so there would be a net loss, not a net gain, to Canadian nationalism because we would lose the Canadian content, particularly in *Reader's Digest*. I know there are Canadians who are concerned about the nature and state of the material available on our newsstands, always at the lowest level where the smallest child can reach out. These stands are seldom supervised, and there is a real concern about that. The minister might address himself to that question when he is finished with the one with which he is dealing now. My constituents wrote to tell me that *Reader's Digest* fits into old hands; that is it is of a size that they like to hold; that they can read it comfortably; also, that it can be re-read. The measure of *Reader's Digest* is that there are not all that many publications that one can return to after a year or two and find them of continuing interest. But over and over again people referred to re-reading the magazine to which they have subscribed for up to 30 years.

As you may gather from my remarks, I have very little belief, personally, in *Time* magazine, and the pairing of the two magazines in the bill and in the pronouncements made by the minister caused me some difficulty. I suppose I am somewhat prejudiced against *Time* since the thirteenth year of my education when the teacher I had used to bring it to class and read verbatim from one end of the periodical to the other until the bell went. She swore by it. I was rather skeptical of it at that time and remember taking to class a clipping from a newspaper which said that *Time* magazine had a great bias. I presented it to the teacher who, not realizing the nature of the clipping and being very glad to have received an offering from a student, began to read it to the class, discovering, too late, that it was knocking the magazine that was so precious to her.

I have had many qualms about my rudeness to the teacher in years gone by, particularly since I became one myself, but I have never had that much doubt about my early judgment of *Time* magazine, and certainly least of all in 1963 when I bought an issue in Tokyo in the hectic weeks preceding the election of that year. On the cover of that international issue of *Time* I saw a picture of the then prime minister of this country, the right hon. member for Prince Albert (Mr. Diefenbaker), in a caricature so grotesque that although I was not then a member of the party that I represent now, I was shocked by it, disturbed that a magazine that was, in a sense, a guest in the house could intervene so dramatically and so drastically in the electoral process of this country.

● (1540)

I was struck by something of the same thought in the election just passed when the issue in the week just prior to the election, an influential week when every publication in this country endeavoured to exert the maximum influence on the Canadian electorate. A cover was produced, and I cannot believe that it was entirely by accident that on the cover the Prime Minister (Mr. Trudeau) appeared on the ace of hearts and the Leader of the Opposition (Mr. Stanfield) appeared on the ace of spades. I resented the inference then. They may have learned something since 1963, but to attempt to direct the voters of this country does not, to me, fit the nature of a publication that has been a guest in the house and has not moved through the years to alter its nature or to increase its Canadian ownership; and certainly its Canadian content has always been a token gesture in this land.

I am not concerned about the welfare of the Maclean-Hunter empire in this country. I have grave reservations about the editorial policies of *Maclean's* magazine. I have nothing but congratulations for *Chatelaine* and its editor, Doris Anderson, who is an inspiration to all the citizenry of Canada for the way she has livened up that magazine and addressed it to the issues of today. I think all Canadians can give credit to Doris Anderson for presenting the Murdoch case to this country, a shocking decision which lacked everything we consider basically just. Bringing it before the Canadian public was important and *Chatelaine* did important work in that regard.

With regard to *Maclean's*, and particularly the editorship of Mr. Newman, I have objected to its persistent attack on basic Canadian institutions, particularly the RCMP and the monarchy. Through a variety of subtle and sometimes brilliant covers and articles, this attack has gone on and has been refined by that magazine in a most extraordinary way, because some months after the attack the magazine will refer to its own attack as proof of the fact that the Canadian public is no longer concerned about these traditional institutions which have served us so well for so long. This is a kind of aid and assistance to the promoters of change for the sake of change in this country which I find reprehensible.

The question is often raised whether the bill will revive Canadian magazines. *Saturday Night*, one could say, has already been resurrected. The cover of the new issue says, "Reborn". I do not know whether that quite fits—I will return to it—but I was greatly heartened, on receiving my issue of this republishing of *Saturday Night*, to read in it these words:

> Driving into British Columbia's Okanagan Valley for the first time—especially in spring or summer—is like hearing for the first time the *Andante cantabile* from Tchaikovsky's Symphony No. 5. It's all so sweet and beautiful and the cynic inside can't quite believe it's real. The Okanagan runs for about a hundred miles, from Sicamous at the north end to Osoyoos on the Washington border. The Selkirk and Monashee ranges shelter it from the east, the North Cascades from the west.
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> It's particularly astonishing when you drive from the east. For days, you've been travelling across the prairies, then through the Rockies. Spectacular skyscapes and landscapes, but a little overpowering after a while. Turn left from the Trans-Canada at Sicamous and suddenly things begin to resume human scale. Soon you spot an ancient weeping willow, not a very common tree this far north. Then, just south of Mara Lake, the valley opens out to reveal mile upon mile of orchards. Pears, apples, peaches, plums, cherries. Vineyards, too, claimed from the soil by decades of irrigation. Springtime must be fantastic.

Madam Speaker, this is a magazine which will survive if it can be so poetic about such a constituency as the one I serve and can write with that quality. I am sure that it's future is indeed secure. But that is not the only thing which gives me hope that it will survive, because as I looked through the articles I found that the magazine seems to be, if I may use the expression, on the right track. It carries an article by the hon. member for Edmonton-Strathcona (Mr. Roche), and it is well worth reading. I must say the little joke of last Friday afternoon, when the gallery filled during the speech of that hon. member, was a

good joke until the point where the visitors departed as quietly as they came. The speech being made at that moment by the hon. member for Edmonton-Strathcona deserves their attention, and the joke would have been much better had they stayed, because their departure left it just a little sour, in the mind of this member at least.

One then sees that there is an article on the premier of the great province of Ontario. This is the feature article. This is, again, an indication of what is important in the land right now. One finds another article on a former member of this House, the great hockey star, Howie Meeker, who was briefly in parliament and sat as a member of this party. With an opening edition like that, there is hope for *Saturday Night*, because those who wrote to me are not cynical and they are the backbone of Canadian nationalism in this country.

What gives me the most hope for this magazine is one poem written by the Canadian poet, Miriam Waddington—and it rhymes! A magazine which devotes itself in the 1970s to a poem which dares to rhyme is one which has set itself on a path of courage. The poem, too, addresses itself to the people who wrote on behalf of *Reader's Digest*, and part of it reads:

> We never know what's apt to happen and although money isn't everything how will things be, where will they go, when we, our generation, win or lose, fed up with curbing hell at last drops all the reins and everything busts loose?

This is one of the concerns expressed by people who write to me because they look at a world where so much is busting loose and they wonder why the minister is concerned about taking the Canadian edition of *Reader's Digest* from them; they cannot understand it. Surely, for these people, the justification cannot be Canadian nationalism; and surely, for these people, if Canadian magazines would address themselves a little more to that large reading audience—and with the state of education in this land, it soon may be the only reading audience left—they will succeed, because those people want to see some indication of quality. They want to see some indication of virtue and some indication that the magazine could become, not an intrusion, not an insult as they look at the cover but one with which they would be glad to renew their acquaintance. I feel that the resurrection or rebirth of *Saturday Night* could perhaps more properly be called the return of the prodigal. Having rooted in the trough of sensationalism for too long until it lost its readership in this land, it has decided to return to a format which served it well for many years when it was a great magazine in Canada.

I am concerned, too, about the question of the 80 per cent different content. That matter has already been raised, and I do not wish to dwell on it. One can imagine a board being set up to determine the content. That would be a dangerous and difficult policy, and surely such an idea should be dropped. While it might be possible to establish a weekly news magazine that would qualify in terms of different content, (in spite of all the minister's brave words I suspect that would be interpreted as Canadian content very quickly) the law could be set down, but people would have to make the judgment. It might be possible to establish a Canadian weekly news magazine—I hope one is attempted in the near future—but I am afraid it would not be possible to establish a Canadian Digest.

● (1550)

A lot of government policies have led us to the present situation, Madam Speaker, and not just the question of tax privileges. Other members have spoken about postal rates, taxation and lack of government support; all reasons why the Canadian publishing industry is in its present state. As I look around the newsstands and read the magazines that come to me, I see a revival in Canadian publishing. If the minister's bill has done that, then I think the measures he has in mind for *Reader's Digest* are not necessary in order to revive Canadian publishing.

There are more negative aspects to this bill than positive aspects, Madam Speaker. I am particularly conscious of remarks made in the speech of the hon. member for Vaudreuil (Mr. Herbert) on May 8. The hon. member has gained a reputation in this House for courage, clear thinking and an ability to express opinions not laid down by the government. He said, as reported at page 5611 of *Hansard*:

> Close to six million Canadians read and enjoy the Canadian edition of the *Digest* every month. *Reader's Digest* material is made available to, and much of it is used by other editions around the world. Some articles receive exposure to 100 million readers in 13 languages. *Reader's Digest* has made some 32 per cent of its common stock available to Canadians through a public issue, the only *Digest* company in the world to do so. Shareholders bought their stock with the understanding that the company's operations were not under any threat at the time the stock was issued. *Reader's Digest* had that assurance from the government.

I hope the government will think carefully about that aspect of the threat against the company. Of course, it is a government that has gone back on agreements before; it is a government that withdrew from the world's fair at Spokane after being the first in. There are other examples of how it does not instil confidence in the Canadian business world. I suggest that the action being contemplated here is as great a threat to nationalism and a sense of pride in one's country—in fact, a much greater threat—than the presence of *Reader's Digest* in this country could ever be.

Mr. John Roberts (St. Paul's): Madam Speaker, I had not intended to enter the debate at this time as I shall have an opportunity in committee to examine the question before the House in specific detail. I am moved to intervene, however, because after listening to some of the speeches, and reading others given at a time when I was not able to be in the House, I was concerned to find a deepening and perhaps studied obfuscation or drift in the view being presented by the official opposition. It seems to me that on this question, which is an important one, members opposite have an obligation to make clear where they stand. They have an obligation to level with the House of Commons, and an obligation to level with the people, on what they believe should be done in the relation to the special tax privileges *Time* and *Reader's Digest* now enjoy. Originally, the position of the opposition was clear, and it was strongly supportive of the government. Back on January 23, speaking for the official opposition, the hon. member for York-Simcoe (Mr. Stevens) said as reported at page 2527 of *Hansard*:

> We believee that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

That is to say, the government's position is a good one—strong, straightforward, supportive. At page 2528 he said:

—that we would be in agreement with the thrust suggested by the Secretary of State in eliminating advertising that is now being put through foreign broadcast stations.

That is also straightforward and supportive of the government's position. He went on to say:

In summary, we are pleased that the government has at last acted, subject to what I have said, in the fashion indicated in the statement.

Clear, straightforward, simple, strong, obvious support for the government's position. There was no doubt then about where the opposition party stood. What happened by May 8 when the hon. member for Fundy-Royal (Mr. Fairweather) rose to take part in this debate in response to the Secretary of State (Mr. Faulkner)? Where was their straightforward, clear, supportive position then? Were the snows of January melted by the time the darling buds of May were in bloom? The hon. member for Fundy-Royal talked about almost everything but what was at issue. He talked about postal rates, about distribution of magazines, about government advertising; he hardly talked at all about the tax privileges held by *Time* and *Reader's Digest*.

There is a story about a Scottish philosopher, Madam Speaker. Every time an objection was raised to his philosophy or theories, he said, "That is indeed an important objection; we cannot overlook it. We must stare it full in the face and pass on." That is what the hon. member for Fundy-Royal did every time the question was raised of what we should do: he looked it straight in the face and passed on. On May 8, at page 5597 of *Hansard*, he said:

A tax policy should apply equally. *Time* and *Reader's Digest* could easily fulfil their obligations as Canadian citizens by broadening substantially, over an agreed span of time, their Canadian ownership.

There is nothing wrong with that. Then we got a splendid assertion of principle.

Perhaps application for citizenship could take the form of an increased sale of their shares to citizens of this country.

Perhaps? That is not nearly as clear and straightforward. Later, he said:

—it might be fair to ask that more of the decisions relative to their editorial content should be made in this country.

Might? That is not very strong. Then later:

My party and I are very nervous about this particular provision.

That is about the content rules. Madam Speaker, my hon. friend here says they are nervous about most things, and that is probably true. He continues:

I think that content rules, particularly as they have application to news magazines—

Does that mean *Time* and also *Reader's Digest*? Then he continued:

—are repellent to me and to this party.

Straightforward? Clear? Direct? Not at all. Ambiguous! If I could characterize that in a word which I hope is parliamentary, Madam Speaker, I would say those qualifications are "weasel" words—ambiguous—they provide an escape hatch for the hon. member to get out if he so desires. The resolution that had been there in January is now irresolution. In fact, I think one could describe the policy as presented, in so far as one could divine it from the speech of the hon. member for Fundy-Royal, as secret; wrapped in a muddle; hidden in an enigma. I think we should know who is speaking for the opposition and what their position is on these fundamental tax questions. In the last few words of his speech, the hon. member for Fundy-Royal made one suggestion which I thought was uncharacteristic but he did not stress it for any length of time. As reported at page 5600 of *Hansard*, he said:

Then we are getting into an area that through the years has given tyrannical governments the power that free men have resisted through the ages.

There is a slight suggestion of sincere concern there. I would not mention it except that it was the theme picked up by the hon. member for Calgary North (Mr. Woolliams) in his contribution to the debate last Friday. He portrayed himself as a great champion of civil liberties: the Bill of Rights is framed on his wall and so is Magna Carta. This concern of his was not much in evidence in debate last Thursday. Last Thursday the hon. member was not on my side trying to resist the encroachment, the censorship, which the hon. member for Brandon-Souris (Mr. Dinsdale) wished to place on the CBC. He was not speaking, that great champion of civil liberties, at that time. However, he did speak up last Friday on *Time* and *Reader's Digest*. He said:

● (1600)

—I am pretty concerned that by means of a tax measure we have brought censorship into this country.

That is not true. I will explain why in a few moments.

If this bill passes, the *Reader's Digest* and *Time* magazine will likely come off the news shelves in Canada.

That is not true, as my colleague from British Columbia indicated a few moments ago.

—it will permit not only this act but the act covering taxation in this field to allow a group of bureaucrats to determine what Canadians will be able to read.

That is not true. He said that when you curtailed the press or tried to curtail freedom of speech, whether by taxation or otherwise, you turned back the pages of history of the country 700 or 800 years. Then he said that this government wants to bring in censorship on what we should read. I was going to say that the whole of the speech of the hon. member for Calgary North was a red herring. It was such a large speech and such a large red herring that I think it might be fair to characterize it as a red whale. I say "a red whale" because the characteristics of whales are blubber and a tendency to spout.

Some hon. Members: Hear, hear!

Mr. Roberts: There is no board to be established under this legislation which will censor the material that will go into magazines, Canadian or foreign. The hon. member for Okanagan-Kootenay (Mr. Johnston) was concerned about the question of who is to assess what is Canadian content or what is not Canadian content. This is not what the legislation enjoins. The legislation will simply enjoin that a magazine, an issue appearing in Canada, be substantially different in content from that appearing somewhere outside of Canada. One would be able to make that comparison even if one did not read the articles. One could look at them and see whether they were the same articles which appeared in another magazine. One could total them up

and make a percentage without applying any specific act of censorship whatsoever. These provisions do not exclude any specific material from appearing in any magazine whether Canadian or foreign. It is true they would encourage, within certain broad categories, the inclusion of material in magazines, but they would not censor out.

Perhaps to make the distinction clear, we could think of it in these terms. If I were to invite you out to dinner, Madam Speaker—which I would like to do some time—I do not think other members of the House would say that I am prejudiced against them by not allowing them to come out with us. On the other hand, if I said that under no circumstances would I ever invite you out to dinner, you might legitimately conclude that I had something against you, that I was censoring you out. The kind of provisions being brought forward in this legislation are inclusive. They are inviting Canadian magazines and other magazines that wish to be entitled to the tax provisions that apply to the Canadian magazines to include content in them which is substantially different from that which appears outside the country. However, there is no censorship.

One could attack this government, one could attack the Secretary of State, one could even attack these provisions *ad infinitum* and *ad nauseam* without being restricted by this legislation. This legislation will not lead to control of magazines in any way. For example, magazines now entering the country are not controlled. There will be no censorship of *Time* and *Reader's Digest* if they choose to come into this country as foreign magazines, no more than there is now censorship of *Playboy*, the *Economist* or *Newsweek*. They will not be censored if they choose to become Canadian magazines. They will not be censored in any way, just as *Maclean's*, *Chatelaine*, *Homemaker's Digest*, and so on, are not now censored. They will be in exactly the same position.

What this legislation does is make *Time* and *Reader's Digest* choose whether to be Canadian players in the periodical press game, or non-Canadian players. At the moment, there is a double inequity. These magazines have a favoured position in comparison with other foreign magazines coming into the country because they receive the same tax benefits as Canadian magazines. They have a special competitive advantage in relation to Canadian magazines because they are able to produce their product for a much larger market outside the country and write down their editorial costs. They can undersell. They can dump editorial material on the Canadian market. That is their advantage in comparison with Canadian magazines.

What this legislation does is make them choose. You cannot have it both ways. You cannot have a special position above and beyond that of foreign magazines, nor one above and beyond that of Canadian magazines. You have to decide which is your role, and play it effectively. If you want to compete against foreign magazines, do so without special tax privileges which they do not have. If you want to compete against Canadian magazines, do it without having the basic editorial material which enables you to write down your overhead, something which is not available to Canadian magazines. I cannot imagine why anyone would say that placing *Time* and *Reader's Digest* on an equal footing with other foreign magazines, or Canadian magazines, constitutes a form of censorship. It is an argument which staggers the imagination.

I wish to say a few words about the remarks made by my colleague, the hon. member for Cochrane (Mr. Stewart), in his participation in the debate last Friday. I do not have a great deal to criticize in his speech. His speech was not partisan; it was moderate: it raised interesting questions which should be gone into in detail in the committee.

I do disagree with his analysis. I think the hon. member is overly fearful that these very profitable enterprises cannot move to meet the requirements of the legislation and still maintain their position in the Canadian market. He overemphasized their difficulties. He has not satisfactorily analysed their true economic situation and its effect on other periodicals in the Canadian publishing industry. On that we can go into detail in committee.

I was more concerned about newspaper reports of the hon. member's comments on Friday. It is often possible that one's remarks are misinterpreted in the press. I cannot go on anything other than what has been reported in the press. I think there are two great difficulties or inaccuracies in his remarks last Friday. In the press report it indicates he believes there is a great lack of resolution on the government side, splits within the government party, about whether or not we should proceed with this legislation.

My response to that, as one who knows the sentiments of the people on this side of the House as well as the hon. member for Cochrane is that that statement, if it is one he made, is simply not true. This is not a party which requires 100 per cent automatic coherent support for every measure which is brought forward. It is a large party with a variety of opinions in it. There are certainly divergences of opinion. It would not be surprising if, after the massive campaign of lobbying which has been mounted over the past few weeks, there were some members on this side of the House with doubts about this legislation. However, I know there is by far a majority of substantial agreement on this side of the House that we proceed with the measure. There are very few people who doubt its desirability and whether we should move forward to discuss this question and bring it to resolution.

I was particularly disturbed by the assertion that somehow the Secretary of State had "snuck in" this legislation to the House of Commons. It makes me wonder where the hon. member for Cochrane has been for the past ten years. This matter was raised by the O'Leary commission over 14 years ago, and the Davey commission. It has been discussed ad infinitum and ad nauseam in the press. It received overwhelming support at two conventions of the Liberal Party. It was discussed when the Minister of Finance (Mr. Turner) was bringing in his budget last autumn. It was discussed again last January when the Secretary of State brought the legislation before the House of Commons. It has been discussed for the past two weeks. It has been a current, topical, running issue in this country for almost 15 years. To suggest that somehow the Secretary of State (Mr. Faulkner) has introduced this measure through the back door is not worthy of the hon. member.

● (1610)

I cite these assertions from the newspaper accounts because I think there is some danger of misleading the management of the magazines as to the true situation. So far, *Time* and *Reader's Digest* have been unprepared to come forward to suggest how they might meet these legislative proposals. There has been no sign that they are prepared to meet the objectives which the Secretary of State has described. They appear to have an obdurate belief that this legislation will not be passed and that they will not be obliged to change their ways. It would be a great mistake if they were encouraged by the remarks of the hon. member for Cochrane to persist in the belief that they need not make any attempt to meet the criteria set out in this bill. It would be a tragic mistake for them if they believed they could simply wait for the withdrawal of this measure.

There is substantial resolution on this side of the House to push this matter to final settlement. That is what we shall be doing in the committee. Representatives of the magazines will be before us and I hope they will make a sincere effort, as I believe they can, to meet the objectives which the Secretary of State has set out. This, I am sure, is the mood on our side of the House, and I believe the magazines concerned will ignore that mood at their peril.

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, I rise on this occasion to reiterate our party's policy on this question as enunciated in the House on May 8 by the hon. member for Sault Ste. Marie (Mr. Symes). There is no need to spend a lot of time rehashing what has gone on in the past with regard to treatment of foreign publications vis-à-vis our Canadian culture, or explaining in detail—because it has been gone over and over—why these two magazines were given special treatment. We need only go back to the Senate committee in 1969. The government has been reluctant to accept fully the implications of what that Senate committee said, but in the bill now before us there is a much better recognition. The committee stated:

> It seems plain to us that if *Time* and *Digest* are allowed to maintain their present competitive advantage, it will become increasingly difficult for existing magazines to survive, and for new ones to be launched. But we are satisfied that the long-term prospects for the Canadian periodical industry—and probably the short-term as well—would be enhanced by removal of subsidized foreign competition.

We do not want to appear, on this side of the House, as being too nationalistic regarding the cultural infiltration which has occurred from the United States at all levels because of our geographical propinquity. That is part and parcel of our geography and history. But, surely, thinking members on both sides of the House are now prepared to say there are certain limits and that we do need certain controls which can be exercised through our economic policy to try and prevent them from completely swamping us. Some can argue there is not much we can do because U.S. influence is worldwide and affects countries besides Canada.

Surely, though, we are Canadian enough to recognize that the time has come, after over 100 years of existing as a nation, when we should at least be able to say to the owners of *Time* magazine and *Reader's Digest*, "The time has come for you to lose your special status within Canadian law." Whatever reason there may have been in the past for giving them special status—and I do not recognize there was any reason—if there was any reason then, the time is surely past.

It is not a question, as some have suggested privately, of whether you like *Maclean's* magazine or not. Personally, I do not like it. What I would like to see is the opportunity given to Canadian publishers to be able to get in on some of the advertising, so that the day may rapidly come when we shall not only have one national magazine but competitive periodicals at the national level which will regularly interpret Canada and the world through Canadian eyes. As I see it, Madam Speaker, neither *Time* nor *Reader's Digest* can claim that they are Canadian magazines with regard to ownership. Some people may say it is not important, but it is surely important when it comes to the question of editorial content where the principle of fairness and equity dictates that they be treated under the law as foreign publications—which they are; and nobody in the House can deny that.

As a person coming out of the academic community and as part of a relatively small group in Canada, I would much prefer, personally, *Atlantic* or *Harper's* or such types of magazine that have some depth in their writing and are not constantly repeating what the line is out of Washington, whether it is the foreign affairs department of the United States or the defence department, and so on. By and large, it is safe to say I think these two magazines, although there has recently been a change in the attitude of *Time* in this regard, have been largely spokesmen for American foreign policy and for the American way of life.

There is no reason why these two magazines should any longer be given special status by Canadian legislators with regard to their position in Canadian culture. *Time* for example has a mere five pages, on average, of Canadian news. This represents about 10 per cent of its content. Its editorial content, Madam Speaker, as is well known, resides in the United States in its parent company. *Time* Canada is wholly owned by *Time* Inc., of the United States and was one of the principal mouthpieces of the Republican party until the death of Mr. Luce. We have been absorbing much of that cultural flak into this country. No one would want to put a fence around them, but why give them special tax rates in order to do this just because they are *Time* and *Reader's Digest*?

I think *Reader's Digest* has been making a pitch, as we are all aware here, getting constituents to write letters on their behalf. I do not know for absolute certainty if they have been doing this, but my constituents have been writing to me and have been given the impression that they will no longer be able to buy *Reader's Digest* in Canada unless this legislation is defeated or withdrawn. It is absolutely false, and we all recognize this. As far as content is concerned, we all know that *Reader's Digest* has only 20 per cent to 25 per cent Canadian content in its English edition, and less than 15 per cent in its French edition.

● (1620)

Here, too, editorial control resides in the United States. Every article published in *Reader's Digest*—I defy anybody to contradict this—has to meet the approval of the editori-

al board in the United States. Only 32 per cent of the shares of *Reader's Digest* are open to Canadians for purchase. As for the ownership issue, suppose *Reader's Digest* and *Time* were to go public and issue shares in Canada. Even if something like 75 per cent of the ownership resided in Canada, to use the expression of the hon. member for Sault Ste. Marie when speaking for our party on this question, this would be just like "fudging the issue".

The key issue here is not who owns the actual publication, but who controls editorial policy and hence the content of these magazines. Let me repeat my own view on this occasion. While I have been engulfed by letters from my constituents asking me, on behalf of *Reader's Digest*, to take a different stand, I feel I am acting more in the interest of Canada by agreeing substantially with the content of Bill C-58. I hope most of us recognize that the special pleas made on Friday and today on behalf of two foreign publications are pleas that do not deserve special consideration from Canadians.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, I have just listened to a very interesting speech by the hon. member for Cape Breton-East Richmond (Mr. Hogan), but I think he has fallen into the trap that the Secretary of State (Mr. Faulkner) fell into in terms of drafting this legislation. I do not know whether it was ever presented to caucus; I do not know how things are done over on that side of the House. But as I say, I think the hon. member has fallen into exactly the same trap, which is to deal with *Time* and *Reader's Digest*, in terms of this piece of legislation, on an equal basis.

I am a subscriber to both these magazines. I am not so sure whether the hon. member who has just sat down is a subscriber to either, but I subscribe to both and in my judgment both magazines fill a different kind of requirement. On the one hand, *Time* is a contemporary news magazine. It is as old next week, in terms of its content, as the daily newspaper is as old and out of date the following day. This is not the case, Madam Speaker, with *Reader's Digest*, and perhaps one ought to consider the point made by the hon. member for Okanagan-Kootenay (Mr. Johnston) when he discussed the longevity of the articles in the magazine in terms of their interest and the fact that they can be picked up year after year and read. The thrust of the two magazines is different. The difficulty I see in the position taken by the hon. member for Cape Breton-East Richmond is that he is putting them in the same bag; and this may well be the difficulty in which the Secretary of State finds himself.

The hon. member for St. Paul's (Mr. Roberts) spoke a few moments ago and said he was worried about the position taken by the official opposition. I am worrying about the position taken by the government on this matter. I have heard two very respected private members on the government side say that this is not a partisan issue, that what we are discussing here is the whole future of the Canadian periodical publishing industry. They said that given the importance of this question, why is the Secretary of State refusing to move? The hon. member for Cochrane (Mr. Stewart) said he was intransigent. The hon. member for Vaudreuil (Mr. Herbert) asked why he denies the statistics that are apparent, and why he fails to compromise?

If this matter is to be treated as a non-partisan issue, why does the minister take this position? If the whips were not on pretty hard and fast, why did the hon. member for St. Paul's come into the House as the messenger boy of the government to give a lecture to the hon. member for Cochrane and to tell him that his remarks, which were given as a member of the House, were not worthy of him?

The Acting Speaker (Mrs. Morin): Order, please. Is the hon. member for St. Paul's (Mr. Roberts) rising to ask a question?

Mr. Roberts: Yes, Madam Speaker. Would the hon. member accept a question?

The Acting Speaker (Mrs. Morin): Would the hon. member for Grenville-Carleton (Mr. Baker) accept a question at this point?

Mr. Baker (Grenville-Carleton): I will at the end of my speech, Madam Speaker; I would be very happy to do so then. If I may continue, I think it is extremely important to note that what those members were expressing were the reservations of many members of this House, because this difference of opinion is not surrounded by the parameters of party discipline; it is a deep and important question about which we are speaking.

I read the speech given by the hon. member for Fundy-Royal (Mr. Fairweather), and I can be just as selective as the hon. member for St. Paul's. The hon. member for Fundy-Royal spoke on May 8 and put the position pretty carefully in terms of the taxation aspects of this matter. As reported at page 5597 of *Hansard*, the hon. member said:

> Although the minister made a most interesting speech, the amendments he proposes to the Income Tax Act as put forward in Bill C-58 in no way constitute a periodicals policy for Canada.

Pausing there for a moment, that is surely the first issue. What is this bill going to do to advance the periodical press in this country? In my respectful submission, it will do nothing. The hon. member continued:

> I think, personally, and I hope most will agree, that it is wrong of a tax policy to differentiate with respect to, say, *Time* and *Reader's Digest* as this leads to all sorts of amomalies and possibly unfairness. A tax policy should apply equally. *Time* and *Reader's Digest* could easily fulfil their obligations as Canadian citizens by broadening substantially—

These are the important words.

> —over an agreed span of time, their Canadian ownership.

In the next paragraph of his speech he outlined what he felt was one consideration among a number of considerations regarding a part of the debate dealing with the principles of this bill. So I do not see why the hon. member for St. Paul's is having the trouble he is having, unless his problem is not with the official opposition but with the hon. member for Vaudreuil and the hon. member for Cochrane, who are from his own caucus, and with the many other hon. members of his caucus who may want to speak in this debate. Indeed, I hope they do because it is an important debate. However they decide to vote, I hope they voice their feelings and reservations. I dare say there are many more members in the government caucus who, like the hon. member for Cochrane and the hon. member for Vaudreuil, are thinking about this issue in depth, even

though the hon. member for St. Paul's is obviously not among them.

I want to deal with another point made by the hon. member for St. Paul's. He said that there is no board of censorship, and he is quite right. It may well be that the word "censorship" or the concept of "censorship" as it relates to the tax aspects of this bill is a harsh word to use. Perhaps it is too strong. But the Department of National Revenue, in terms of its power to make arbitrary decisions, subject of course to the appeal process, is indeed strong and it can have a profound effect on what will be printed and what will not be permitted in any magazine. This is the way tax policy is used, and in those terms let us not fool ourselves in this House: this bill represents an intrusion into the right of publication or the right to put on the printed page what a publisher might like. This happens and is the natural course of events.

● (1630)

Surely the government is not taking the position that when the Minister of National Revenue (Mr. Basford) talked about 80 per cent content, he was talking through his hat. He was saying, when he said that, "This is how the government of the day is going to enforce its decision, acceptable or otherwise, and only the future will decide the results within Canada.

It should be clear from what I have said that I view these publications from a different point of view. Let me say at the outset that I think this is perhaps one of the most important pieces of legislation with which we have had to deal in this parliament. It goes a long way in affecting the rights of people who hitherto have been granted certain rights under the law and in terms of those rights have made certain commitments and undertaken certain obligations. Before parliament or anybody else tinkers with these things, for however good the purpose to our country, we must consider each case on its merits. I do not believe the minister has done that when he lumps the two publications together. As a result of lumping the two publications together, I think there could very well be a great injustice done in the one case and I hope to have some suggestions to make in respect of that matter as we continue this debate.

The purpose of the government is laudable. The government has said it wants to aid the Canadian publishing industry and it is concerned about the inundation of our newsstands by foreign publications.

Mr. Roberts: Aren't you?

Mr. Baker (Grenville-Carleton): Yes, of course. That is what I said. If the hon. member had been awake and listening, I am sure he would have heard me say that I share those concerns. I think the government is attempting to begin some form of policy for the Canadian publishing industry, but this statute can by no means even be classed as a fair beginning to that policy. There are so many things to be done for the Canadian publishing industry, in terms of positive things, that I regret very much the minister has chosen, with all the fanfare of his speech at Trent University and his speech here in the House on May 8, to come forward with one negative proposal for an industry that is crying out for assistance from its government. I cannot think that the Secretary of State for Canada is so lacking in imagination. If he is, I cannot think that there are people in the public service of this country who are so lacking in imagination they feel they should attack this great problem of an emerging Canadian industry by using the negative, retributive forces of the tax laws in this way.

[Mr. Baker (Grenville-Carleton).]

Because of the magnitude of the problem, there ought to be a willingness on the part of the minister to compromise in this situation. It is that spirit of compromise, and its importance in dealing with something I do not think is really partisan in the traditional sense, which caused the hon. member for Cochrane and the hon. member for Vaudreuil to say what was on their minds in respect of the matter. I commend them for that and I am rather proud to be associated with them, even though the hon. member for St. Paul's perhaps found their streak of independence somewhat not to his liking. Most members of the House would echo the many sentiments expressed by those two members of the Liberal Party.

Our duty is to examine each of these cases on its merits and examine the law on its merits. We ought to review the principles which should be considered in respect of the application of the law. If we find they are wanting, then the government and the Secretary of State should be prepared to move. For those who view the statements of the hon. member for York-Simcoe (Mr. Stevens), when he was replying to a short statement in the House, as closing the debate on the consideration of this policy, I would ask them to read the statements again. He said very clearly that one of the important aspects that ought to be considered was the whole effect on Canadian employment and those who were dependent in one way or to some degree or another on the continuation of these publications.

The hon. member suggested we should consider the effect it might have on those people if these publications were not allowed to continue in their favoured position. He was concerned, as well, about the monopolistic effect this legislation could have in terms of the benefits it will confer on what has already been acknowledged to be a publishing giant in this country. He was concerned, and I think he said this by implication, very much about the effect, if any, this is going to have on the development of smaller periodicals as well as the development of opportunities for Canadian writers and craftsmen within those institutions.

We are not just legislating here for ourselves. We are going to be affecting these institutions in one way or another. In fact, we are going to be affecting the whole industry in Canada, I respectfully suggest. We must ask ourselves whether in terms of those who are participants now and in terms of those who look forward to careers as participants in the publishing industry, directly or indirectly, including artisans and suppliers, this legislation is reasonable as presently framed, particularly in terms of timing. I hope the Secretary of State is asking himself this question in view of the statements which have been made in the House today, coming as they do from all quarters.

There is one other matter the Secretary of State ought to remember. In terms of the effect or the prospective effect of this legislation, the Secretary of State or anybody else

in this government should not fly in the face of public opinion. There has been a tremendous feeling generated about this piece of legislation in Canada, and I venture to suggest that not all of that feeling has been generated by an advertising campaign. As the hon. member for Okanagan-Kootenay has said, the subscribers of both *Time* and *Reader's Digest* were invited to write to their members of parliament. If I can judge by the weight of mail in respect of one, weighted as it was very heavily in favour of *Reader's Digest*, *Reader's Digest* does occupy a special position. I think we would have to recognize in this House that we just cannot fly in the face of the Canadian public.

The first question to be asked, I suppose, is whether this legislation will be of any assistance to the Canadian publishing industry as such. Other speakers have mentioned, and I reiterate this for the benefit of the minister, statements which have been produced as a result of some work done by an organization called Canadian Facts. The survey showed that in January of 1975, Canadian advertising executives indicated they felt that the Canadian publishing industry would not benefit substantially from the removal of the tax advantage for advertising in *Time* magazine and *Reader's Digest*. It is suggested that only 19 per cent of the revenue freed by this measure will go to the publishing industry in Canada. Of this 19 per cent, 58 per cent would go to Maclean-Hunter Publications, and as such Maclean-Hunter Publications would effectively control at least one half of the advertising revenue obtained by the magazine industry. It presently controls about 42 per cent of the total.

● (1640)

As I mentioned, I think the effect is that most magazines will derive a really insignificant benefit from the move proposed by the minister. This statement is made in the face of the assertion by the minister that smaller, special interest magazines constitute the real problem in the publishing industry. I am not suggesting there is anything sinister in this, but the survey by Canadian Facts indicated who the beneficiary would be. A moment ago an hon. member asked who backed that organization. I hope he will be able to produce other statistics in respect of this matter. I would be willing to listen to them. However, I think these are factors which we cannot ignore.

I wish to call attention to a letter signed by T. Peters which appeared in the Montreal *Gazette* some time ago. I believe he put the case very well in respect of Maclean-Hunter, one of the largest publishing houses in Canada, being possibly the only real beneficiary in this case. This is what he said:

> For instance what will happen to the magazine industry in Canada? First of all the present total circulation of Magazine Association of Canada magazines is approximately 5.6 million while the U.S. magazines (over 40,000 circulation) circulation in Canada number approximately 9,000 less. That's not much, but at least it's less. Eliminate *Time* and *Reader's Digest*, who belong to the MAC, and we'll end up with 3.6 million MAC magazines and 7.6 million U.S. publications on the market. These two publications of approximately two million circulation have through the years built up a faithful readership, and will keep supplying their subscribers with copies mailed from the States. So as you can see, the Canadian magazine industry will not expand but rather decrease in size. There will be two million more Canadians reading U.S. editorials and seeing U.S. advertising. And what effect will this imbalance have on advertising reach for Canadian companies?

In his next statement, I think he put the case as well as anyone could for those concerned about the Canadian magazine industry. He said:

> Canada needs a strong magazine industry to effectively compete with the other media. Without these two publications spending money to support the MAC, and nearly bankrolling all new research for the magazine industry itself, the outlook is gloomy.

I think this is a very sober comment on the long-term effect on the Canadian industry of this particular matter. I ask the minister whether the intention of the government is to make an award to the Canadian giant. Is that the real intention, or is it his intention, as he expressed it in his speech, to stimulate some of our new publications? I wish he would demonstrate to us how this will happen. I wish the minister could produce a study that would indicate how this would happen. Canadian Facts at least has produced something. Some people may have some doubt concerning the propriety of those figures. I am prepared to say I do not necessarily totally subscribe to them, but at least there is an attempt by someone in Canada to consider the effect of this legislation. I think the minister has a duty to consider these things.

The next matter with which I should like to deal is the restrictive aspect of the bill and the failure of the minister to deal with this matter in practical terms as it affects the two publications. I do not think any member of the House who has taken part in this debate so far would be prepared to argue that *Time* and *Reader's Digest* are on the same footing in terms of their impact on the Canadian public or, indeed, on the public of the world. The economic commitment and the economic contribution to Canada of *Reader's Digest* of Canada in relation to the contribution by *Time* is so much greater as to hardly need further explanation. There is the whole question of the business contribution to Canada, in the amount of $30 million. At least 90 per cent of every revenue dollar remains in Canada. The capital assets in Canada amount to $8 million.

Reader's Digest of Canada provides employment for 1,000 others aside from about 500 direct employees in Canada. It brings business to Canadian suppliers. It has made a substantial contribution to publishing technology in Canada. It has been printed in Canada since 1943 and published in both official languages. In terms of its stock, at least 32 per cent is made available to Canadians. As the hon. member for Cochrane carefully pointed out in detail, the very distinguished Canadians who are directors of the company, I am satisfied, would not let their names stand in respect of any fraud or any other kind of offence against the Canadian public. I think their presence is an indication of the real attempt this magazine has made to become a Canadian citizen in terms of the cultural contribution it has made to this country. I think it is a culture contribution which transcends *Time* by light years. They are different magazines. They have different purposes. The beat of *Time* is perhaps much wider than that of *Reader's Digest* and much more immediate. It is more of a reporting news magazine than anything else.

I mentioned the fact that *Reader's Digest* is edited independently in Canada in both English and French. I mentioned that there are some 80 Canadian editors and support staff and 80 additional Canadian freelance writers. There have been 140 writers published in the magazines since 1960. The worldwide publication of *Reader's*

Digest, published in many different languages, provides an opportunity for Canadian writers to show their stuff to the world in other languages. It has a place not just in the hearts but in the minds of Canadians generally. I think we must remember this as we consider this piece of legislation, and consider also whether there has not been a fundamental error on the part of the government, perhaps not in principle in attempting to do away with the differentiation, but in so doing in putting these two publications in the same melting-pot and dealing with them in the same way.

● (1650)

The hon. member for Cochrane, who I would suggest was maligned just now by the hon. member for St. Paul's, put the issue thoughtfully in the speech he made in the House on May 16. He was speaking on what he felt was the central issue in this particular debate. I should like to quote from page 5891 of *Hansard*, where he is reported as follows:

> In my view the central issue before us in this debate is to establish, once and for all, a set of guidelines for the magazine and periodical publishing industry in this country which meets the approval not only of the industry itself but of the advertisers, editors, graphic artists, and perhaps most important of all, the general public of Canada.

Certainly we should be thinking positively in these terms and that is, I hope, the minister's thinking behind this legislation. However, as I re-read his speech, I am not so sure that is his thinking. I do not think that in the speech which he made in introducing the bill for second reading he came to grips with that kind of thing; but the hon. member for Cochrane has come to grips with this matter and I hope that before this debate is over others will indicate that that is their wish as well.

I said at the outset of this speech that I would indicate some things that I think should be done by the government. I am sure there will be an opportunity to deal with this matter a little later if and when this bill receives second reading, but there are important things that go beyond this single, negative retributive step. On the whole question of ownership and the statement made by the Minister of National Revenue that arbitrarily there shall be established a very high level of 80 per cent Canadian ownership, I want to say to members of the government—and I say it with great respect—that ownership is not a sufficient guarantee of Canadian content. Can you imagine that anything would be typically Canadian if it were owned by the Argus Corporation, or Power Corporation? Would that guarantee anything with respect to the Canadian content of magazines owned by these corporations? I say, with respect, that a content ruling should be established which would increase the percentage of Canadian content required by law over a specific period of time. This is something that is not new to Canada; we have the same type of Canadian content ruling from the CRTC.

I think that in dealing with the matter of content and ownership we should be fair and we should do it gradually because of the disruption that any sudden action can cause to these publications. I think that if we handle ourselves in this way, handle ourselves sensibly, we could avoid the immediate dislocation of Canadian employees and suppliers, as the present measure seems to indicate might be the case. I disagree with the hon. member for Burnaby-Seymour (Mr. Raines) when he said that *Reader's Digest* was threatening suicide. That is not so at all; they are just saying that an express train with the Secretary of State at the controls is coming down the track; that perhaps it is out of control with respect to them, and they are warning people that it might hit them. There is quite a difference.

I think, also, that we could take a look at the distribution system of periodicals in Canada. Mr. Speaker, 13 of the 14 national magazine distribution firms in this country happen to be American owned. The government should consider assisting the organization of a national distribution company to ensure promotion and circulation of Canadian publications. Canadian magazines should be displayed and sold at federal installations and in Information Canada offices, thus promoting sales in a positive way. Public corporations such as Air Canada and others should be encouraged to provide a greater selection of Canadian publications. I see the Postmaster General (Mr. Mackasey) in the House. Perhaps he could take a look at the postal rates that apply to magazines. The book purchase program of Canada Council could be expanded to include Canadian magazine subscriptions for public and school libraries.

The government should consider a grant system or a forgivable loan system with respect to the publishing industry in the area on which this legislation focuses. Canada Council would be a reasonable vehicle through which this matter could at least be considered, a vehicle for any system to be put into place. I think the government should consider purchasing a more substantial amount of advertising space in Canadian periodicals, although I would not want them to emulate the Minister of Energy, Mines and Resources (Mr. Macdonald) in his conservation program.

I have spoken about the question of postal rates and services, and while the Postmaster General is in the House I should like to suggest that he might consider the fact that 91 per cent of Canadian magazine sales are made through subscription, so an efficient and cheap postal service is of crucial importance to the well-being of magazines and periodicals in this country.

May I call it five o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Halifax-East Hants (Mr. McCleave)—External Affairs—Suggested Canadian effort to have North and South Korea resolve differences; the hon. member for Winnipeg South Centre (Mr. McKenzie)—External Affairs—Garrison irrigation

project in United States—Request for Canadian efforts to secure moratorium on construction.

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Penner): Order No. 8, the hon. member for Windsor-Walkerville (Mr. MacGuigan). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): The motion stands at the request of the government. Order No. 34, the hon. member for Yukon (Mr. Nielsen). Shall the order stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Penner): The motion stands at the request of the government. This guarantees that it will retain its place.

Mr. Lefebvre: Mr. Speaker, I think you will find that there is general agreement to taking the bill standing in the name of the hon. member for Toronto-Lakeshore (Mr. Robinson), Bill C-203, an act to amend the Criminal Code (loan sharking).

The Acting Speaker (Mr. Penner): I thank the hon. member for Pontiac (Mr. Lefebvre) for that information.

* * *

● (1700)

CRIMINAL CODE

SUGGESTED AMENDMENT TO INCLUDE LOAN SHARKING AS A CRIME

Mr. W. Kenneth Robinson (Toronto-Lakeshore) moved that Bill C-203, to amend the Criminal Code (loan sharking), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am indeed pleased that finally Bill C-203, to amend the Criminal Code under the term loan sharking, should be before the House of Commons. What it means, in effect is that the Criminal Code would be amended by adding immediately after section 305 the following:

305.1 (1) Any person who, in respect of any loan directly or indirectly, charges, exacts or receives, or stipulates for the payment by the borrower of a sum of money as a result of the payment of which the whole of the cost of the loan of the borrower exceeds or would exceed twenty-four per cent of the amount advanced, is guilty of an indictable offence and is liable to imprisonment for ten years.

I point out that there is an error in the bill and that it should read "twenty-four per cent per annum", which may

be considered rather low. However, I point this out so that if anyone in replying takes exception to the bill, it will be understood that it is meant to be 24 per cent per annum in so far as this bill is concerned.

If you permit, Mr. Speaker, I would like to quote a few lines of Shylock's in "The Merchant of Venice", Act 1, Scene 3:

If you repay me not on such a day, in such a place, such sum or sums as are expressed in the condition, let the forfeit be nominated for an equal pound of your fair flesh. To be cut off and taken in what part of your body pleaseth me.

These lines, aside from demonstrating the timeless and universal quality of William Shakespeare's works, underline the fact that usury has existed for a great many years. However, in the past five or six years loan sharking has become an increasingly serious problem which must be faced. Government inquiries into organized crime, both in Canada and the United States, support this contention. Testimony from the Quebec Crime Commission hearings, and from United States commissions at both the state and federal level, have furnished abundant evidence.

It is estimated that loan sharking is the second largest source of revenue for organized crime. However, many feel it will or already has surpassed gambling as the number one source. On Montreal island alone it is estimated to be a $700 million business. This relatively recent but at the same time massive intrusion of organized crime into this field has given the problem an entirely new dimension.

The Encyclopaedia Britannica defines usury as the charging of interest in excess of that allowed by law for a loan of money or for the extension of the maturity of a debt. However, it is commonly used to define any credit situation where an unconscionable and exorbitant rate of interest is charged. For the purposes of this bill I define criminal usury as charging, taking, or receiving any money or other property as interest on a loan or forbearance of any money or other property at a rate exceeding 24 per cent per annum.

The harmful effects loan sharking has on society can no longer be limited to the financial bankruptcy of a few individuals, but are now a vital matter of concern because of economic and social effects on all elements of society. However, we should not minimize the financial ruin, physical hardships, emotional strain and sometimes suicide and murder suffered by individuals.

An example of this can be found in a front page story in the September 24, 1974, Montreal *Star* which tells about a woman who borrowed $300 from a Montreal loan shark and repaid, in weekly payments or fines, a total of $3,770 over a period of three years.

Indeed if we are to understand loan sharking, we must attempt to understand the victims of loan sharks. There are three identifiable classes of borrowers: first, the small businessman whose credit position is too poor to support a legitimate loan; second, the urban poor who, even if steadily employed, may be in desperate need of money; and third, heavy gamblers whose propensity for indebtedness is great, regardless of their business or background.

In addition it should be noted that organized crime often chooses victims whose abilities or contacts can be of use to

the organization, such as bank employees and public officials.

Two basic characteristics of loan shark victims are an urgent need for money and the inability to obtain funds through normal lending channels, either because they do not have necessary capital or because the purpose of the loan is unacceptable. Another common characteristic of loan shark victims is that they very rarely complain about their plight to law enforcement authorities. The most obvious explanation is the fear of retribution, the threat of violence, implied or explicit, and when threats are not sufficient, the underworld has resorted to severe beatings and even murder.

However, there are other important reasons why victims seldom complain. The hearing into the impact of crime on small business in 1968, before the Senate Select Committee on Small Business, was told that it is generally agreed that most loan shark transactions are amicably conducted with both parties being satisfied. If this relationship remains unstrained, the authorities will never learn of the transaction from complaints. Also victims are sometimes sympathetic or involved in organized crime, and a victim is frequently forced into crime in order to meet payments. Thus he is in too deep to complain. This last point is directly related to the most serious effect of the involvement of organized crime in loan sharking, that is, the increase of criminal activity.

I will quote from Professor Henry Ruth of the University of Pennsylvania law school speaking before the U.S. Senate Committee on Small Business in May of 1968:

> The activity in each kind of crime bolsters the success in other criminal enterprises; organized crime uses loan-sharking in tandem with its gambling and other operations. In addition, the debor-victim becomes a pawn in furthering other criminal activity of the organization and in broadening the legitimate business base of organized crime's holdings.

It is to be appreciated that organized crime's rackets closely connected with loan sharking, besides gambling, are narcotics distribution, labour racketeering, and disposal of stolen goods. Profits from loan sharking finances these underworld practices, and also promotes other criminal activity. For example, as mentioned, victims are often forced to criminal means to meet demands for payment. It also provides a cruelly effective device for enabling the underworld to expand its interests in legitimate business.

The story in the Toronto *Star* dated April 14, 1973, concerning the testimony of a convicted racketeer to the Quebec police commission inquiry into organized crime dramatically underlines this point. The racketeer, describing loan sharking operations, said, and I quote:

> They will beat up a man for a few dollars. They choke businessmen to death with outrageous interest, then take away their firms.

He went on to tell about a Montreal businessman who lost a $40,000 men's clothing store because he owed a shark $1,200 and could not make the weekly payments. He also told about another man who lost his dry cleaning firm and became a $100 a week employee in the establishment while the shark negotiated its sale to a competitor. Lastly, it should be remembered that loan sharking provides an instrument which organized crime can use in the bribery and corruption of public officials.

[Mr. Robinson.]

In 1967 a United States House of Representatives republican task force on crime stated, and I quote:

> The victims of organized crime are the urban poor. A society concerned about poverty must be concerned about organized crime.

We find the urban poor are among the most vulnerable to loan sharking. The urban slums provide an excellent setting for the loan shark operator. A ready market exists because victims most often do not have access to legal lending sources. The poor can least afford it, and are most likely to be pushed to crime to meet payments. The crime rate in the urban slum environment is already too high without this further stimulus. Another factor is that too frequently in this environment the criminal element receives a certain respect, while law authorities lack the trust of the ghetto population.

● (1710)

While I have been concentrating primarily on organized crime in loan sharking operations, we must not forget that there are many supposedly respectable and legitimate businessmen who could be classified as loan sharks. They may not use the threat of violence to collect payments, but the interest rates they charge are criminal. Their victims are the poor, and the small marginal businessman lacking sufficient capital. When granted credit they must pay a premium for it. The poor have to rely on the most expensive source of credit. They are denied credit at lower rates not necessarily because they have a poor credit history but because they are simply less wealthy than other borrowers.

The chairman of the Welfare and Housing Committee of Metropolitan Toronto informed the Senate Committee on Poverty as follows:

> So many people are unable to comprehend what they are getting themselves into, first of all . . . when they buy a car or television set or anything on time. In this country, you know it is rather peculiar that if you go to the bank and you want to borrow money at a reasonable lending rate, if you can afford it, you can get it. If you cannot afford it, you go upstairs and get it from the finance company which borrowed it from the bank in the first place. Too many people get in debt because they do not understand economics.

It is this kind of situation which provides a steady source of customers for our "legitimate" loan sharks. In my view our present laws against loan sharks are inadequate.

Perhaps one of the most telling statements I have come across is from the 1965 State Temporary Commission of Investigation of the State of New York, which found:

> Startling as it may seem, the commission found, and all official witnesses agreed, that the absence of effective usury laws in this state was a significant factor in the underworld's move into loan sharking.

There can be little doubt that sentences for loan sharking offences are too light. Perhaps the best example for this can be found in an editorial in the Montreal *Gazette* of September 28, 1974, which said:

> One loan shark convicted of 84 counts was fined a total of $3,675, less than $44 a count. Yet he had $75,000 out on loan to 136 clients at rates starting at 25 per cent a month.

For some reason which is difficult to explain there is an attitude of indifference by local officials and the public toward loan sharking operations. As far back as 1951 the

Kefauver Commission investigating organized crime found:

> Whether out of ignorance or indolence is not clear, but some local authorities insisted, orally and in writing, that there was no organized crime in their jurisdictions, although the subsequent testimony proved them pathetically in error.

In Canada law enforcement agencies attempting to control loan sharking are severely restricted by our present legislation. The Small Loans Act does not cover loans greater than $1,500, nor does it cover vendor credit such as credit cards.

I know the Minister of Consumer and Corporate Affairs (Mr. Ouellet) intends to introduce legislation which will remedy some of the weakness which exists presently in regard to the Interest Act and the Small Loans Act, and I want to congratulate the minister for his initiatives in this direction. My bill is not intended as a total answer to the problem and associated problems of loan sharking. But perhaps it is a start and will provide a platform for discussion of these problems.

I know one of the main criticisms of my bill will be the ceiling on interest rates and the inherent difficulties. While I agree with some of these criticisms to a certain extent, I would just like to say in closing that I fear that the removal of all ceilings on interest rates may only result in the legalization of loan sharking rather than its elimination.

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I do not intend to extend the debate this afternoon. On this side of the House we feel that Bill C-203 introduced by the hon. member for Toronto-Lakeshore (Mr. Robinson) is a good bill and should be allowed to go to committee without further debate. If hon. members opposite wish to debate this bill to the end and talk it out, that is fine, but on this side of the House we think it is an appropriate bill and should go to committee without further debate.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I want to congratulate the hon. member for Toronto-Lakeshore (Mr. Robinson) for presenting Bill C-203 to the House this afternoon. It shows that he has a strong social concern, especially for the working poor and the poor in the large centres.

Any objection that I might express indirectly on behalf of my party would be that the bill does not go far enough. I think the hon. member has corrected the bill and has stated that the 24 per cent mentioned refers to 24 per cent annually. We all know that, besides being hit by loan sharks, the poor in the large urban centres and smaller areas like my own are also hit by high rents and inflation and these things as attacks against the poor are sometimes more difficult to get at, but also it is true that if rent controls were introduced across the nation it might be good for one part of the country and not for another. Surely, however, the federal and provincial governments in co-operation should mount an attack on slum landlords from one end of Canada to the other. I would put these people in the same category of contributing to poverty as the loan sharks.

While I commend the hon. member I should like to suggest that, rather than talking about 24 per cent interest and whether there is a ceiling on interest rates in regard to these special lenders—from an economic point of view the effect would be negligible—we should tackle the basic issue which is a moral one. The question is what this practice does to the poor and its contribution to organized crime in our society.

The hon. member has spoken eloquently and has presented evidence about the contribution of loan sharking to organized crime. I would suggest to him that a more realistic figure to give a legal lender an adequate return, while protecting the desperate borrower, would be 18 per cent per year rather than 24 per cent per year. He is right in saying that our present laws are inadequate. A guarantee of 18 per cent would put teeth in this legislation and would allow the provincial authorities, as well as the federal authorities, to undermine the relationships between loan sharking and keeping the urban poor poorer and the relationship between loan sharking and the growth of organized crime.

It is now accepted that credit unions have made an important contribution to our society. I would ask the hon. member to consider whether this is not an area in which we should ask the credit union movement to consider seriously giving a more favourable rate of interest to these desperate people. Perhaps something additional can be done for the poor of this country by this great voluntary organization. Credit unions started in Germany, and came to this country to make a remarkable contribution to our many communities, including towns in my own province. What the Caisse Populaire has done in Quebec is well known by hon. members on the other side of this House.

I want to state that I think the 24 per cent figure is unreasonably high. Considering the people we are dealing with, 18 per cent should be sufficient. The present rates encourage Shylocking, and something should be done about that.

● (1720)

The government is indirectly contributing to an attack on the poor while at the same time saying that through a possible guaranteed income it wants to help the working poor. This is one way it could help the poor, by putting some teeth into the legislation attacking loan sharking. At the same time it would do much in this country to help undermine the subtle, pervasive and complex influence of organized crime and its relationship to money lending in our economy.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like at the outset to congratulate the hon. member who introduced Bill C-203, an act to amend the Criminal Code by adding a few extremely important lines that read as follows:

> Is guilty of an indictable offence and is liable to imprisonment for ten years . . .

I would write twenty years and even life imprisonment—

> any person who, in respect of any loan directly or indirectly, charges, exacts or receives, or stipulates for the payment by the borrower of a sum of money as a result of the payment of which the whole of the cost of the loan of the borrower exceeds or would exceed twenty-four percent of the amount advanced.

Loan Sharking

Mr. Speaker, I believe usury should not carry a percentage. Whenever a loan is granted, if it is the outcome of one's labour, it is only normal to get a compensation which we call interest. It is money earned through one's labour. It is normal to own something that can be rented to somebody else at a rate of interest, for a reasonable rent, and not at a rate that may impose excessive conditions on the borrower which would place him in trying circumstances. If someone is being abused in a modern society, in a well-structured and well-organized society, it is only normal that the state step in so as to prevent the exploitation of man by man.

And I believe that such is the objective of Bill C-203, but the hon. member could have gone much further. I should like to make a few remarks. I just said that if one lends something that belongs to one, it is normal to get a reasonable rent back, but if one creates something to be lent to somebody else, that is something entirely created under a privilege, such as it is presently done in this country at the banking institutions' level, as they have the privilege under the law to create money to lend it at absolutely unreasonable interest rates, because after all, it does not cost them anything. It is no more and no less than a permission, a right that is granted them through a legislation enacted by the Parliament of Canada, through a federal charter, the right to make banking operations which in a way empower them to create money in this country in order to get an interest from it. It is the result of a trade in something that did not exist before it was decided to grant a loan to a borrower or to the government under this legislation.

To show you how true that is Mr. Speaker, I have here an answer given in December 1974 to a question on the order paper. I had asked the following:

What was the total money in this country on January 1, 1972 and January 1, 1974? And in both cases the government answered that in 1 cent, 5 cent, 10 cent, 25 cent coins, in $1, $2, $5, $10, $50, $100 and $1,000 paper money, the total outstanding was $5,860,000,000 created by the Bank of Canada.

With question 1567 I asked, and I quote:

1. What was the average total of money in Canada on (a) January 1, 1972 . . . (d) January 1, 1975?

The answer is very clear and we have proof that indeed chartered banks have a privilege to create money instead of the government. And I think this is a very serious matter. That is why I am very happy that the hon. member introduced a bill to draw the attention of the House to an extremely important matter. And we shall see following my remarks why I feel this matter is very important. We are being swallowed in a financial situation to such an extent that there will be no way out if the same formula is maintained.

So, to the question I asked, what was the total of money, a specific answer was given. The answer is as follows:

● (1730)

There are various forms of money in Canada. These include currency (coins, Bank of Canada notes) and deposit claims on the chartered banks and on other institutions that offer deposit accounts to the public. The most commonly used definitions, which include currency and chartered bank deposits, are shown in the following table. Dates are for the last Wednesday in December because statistics for January 1 are not available. The table also shows the outstanding amounts of chartered bank credit in the form of Canadian dollar loans and mortgages.

So the proof exists under the act. We have the table. Chartered banks have the privilege to create, mint the credit of this country, make loans to borrowers, and the fact that they make a loan gives them authority to make a deposit on behalf of the borrower.

Automatically money is created that flows throughout the country in the form of figures. And the previous question: how much money is in circulation in the country? $5,860 million. The table shows once again: Total money supply: $5,860 million. But the total money supply in Canada as on January 1st was: $62,145 million.

Mr. Speaker, why the difference? We have just been told that the Bank of Canada has created $5,860 million, but we are told later that the Canadian money supply is $62,145 million. Then, this means that about $57 billion have been minted for lending purposes. This policy applies at the level of individuals, at the level of Canadian taxpayers, of individual borrowers, but it also applies to the Canadian government and to the provincial governments.

No later than last night, Mr. Speaker, I attended a town council meeting with about 50 Quebec taxpayers in my riding who must finance public works for a water and sewer system the cost of which will exceed $1.2 million, and those people have needs that they cannot afford to meet. Then, they shall have to borrow and pay that system three times its actual cost. I pointed out to them that under present financing methods, because of a disrupted monetary system, they shall have to pay three times the actual servicing cost.

The same situation exists, Mr. Speaker, in the field of rest homes construction. I have in my riding several of those organizations and I shall tell you, without mentioning any names, about a typical case dating back to March 1975.

A corporation decided to build a home at a cost of $433,267,000. Since it is to be paid in 50 years, the interest rate is moderate: 6 7/8 per cent. But it nevertheless means monthly payments of $4,232.16. 50 years mean 600 months. Therefore, those people will have to pay $1,815,000 in interest on a total loan of $723,700, which means that once again those people will have to pay the price of three homes to be allowed to live in one only. This does not include administration and servicing costs; how can they be expected to manage? That is called usury, and I think that is what the hon. member also wanted to get at.

Let us consider our own debt in Canada. There was an answer to that effect last week in the order paper. The Canadian debt on July 1, 1967 amounted to $79 million and to $55 billion on July 1, 1974. How much does that mean in interests in the 1975-76 estimates? My dear friends and colleagues in the House of Commons, let us together open the famous book of estimates and expenses. We find out that it is going to cost us 3 and a half billion dollars; one billion more than in the last estimates only to pay interests.

We could accept quite a few LIP projects to provide jobs to our unemployed. We would also accept quite a few Opportunities for Youth projects in the various constituencies of Canada to provide jobs to our students, a liveli-

hood. The Minister of Manpower (Mr. Andras) keeps shilly-shallying and makes every effort to meet the requests of students and of members on behalf of students in the various constituencies of Canada. He cannot do more. But three and a half billion dollars to pay interest on money created out of nothing for private organizations to get Canadian taxpayers into debt, Mr. Speaker, that is usury.

This is why, times and times again, I suggest to Parliament that it should take the necessary steps. We, members of parliament, are here, sent by taxpayers, by Canadians, to exercise authority in this Parliament, the supreme authority in Canada.

There is nobody above it, and if we really wanted to exercise the authority given to us by the Constitution, we could legislate on monetary matters, on the financing of the public sector, so that the Bank of Canada should be allowed to keep a continuing record of figures, statistics, as well as the gross national product and the work of Canadians, and to issue new credits, as needs be, not at a 15 per cent rate of interest, but at a rate which would offset administrative costs only.

This is in the public sector, and a considerable amount of money would be saved, which would unclutter the money market. We should get rid of an important competitor, the Government of Canada. In a way, we are kind of competitors to private business on the lending market. It is not surprise that the rates of interest raise. It is no surprise that usury should gain ground and that we should accept the situation as if it were normal, while it is not, at least in my mind and in the mind of a former prime minister of Canada, the Right Hon. Mackenzie King. As I said before, he was right in saying that, when a country does not control its credit, its money, it is vain to speak of democracy, because then you are dependent on those who control the economic blood of the country.

All these agencies who make loans at exorbitant interests are in the hands of the chartered banks in Canada, those financial institutions which are called credit agencies. They are owned by the chartered banks in Canada. This is an indirect way of lending money at higher rates, without any record in their files, without their names being used.

I suggest we should support this legislation because at least it would be a first step towards bringing to account those organizations that live off the people, that take advantage of trying circumstances facing small taxpayers to extend credit at extravagant and unfair rates. For this reason, I wholeheartedly support Bill C-203.

● (1740)

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I would first commend the hon. member for Toronto-Lakeshore (Mr. Robinson) for introducing Bill C-203 on loan sharking, to amend the Criminal Code by adding a new provision regulating practices in this area.

Indeed, this is a very serious problem, especially since it was more or less underlying in the last few years. Then came revelations by the inquiry commission on organized crime, and those by the Cliche Commission, which showed not only that the problem was very serious, but that there was a pressing need to legislate in the field covered by this bill.

How can loan sharking be defined? This is very difficult in a free market economy as we have here in Canada. Courts of justice have defined it more or less vaguely and, on the other hand, the federal and provincial governments have legislated in this field to see what was the best way to establish the level of usurious rate. However, they were not able to do it.

This is because, according to market conditions, there may be a period in a year where a rate of 18 per cent would be considered usurious. On the other hand, in another segment of the market, in another economic activity, there could be an annual rate of 25 per cent, 26 per cent or 27 per cent which would not be considered as usurious but as perfectly normal by all the people concerned, including both the lenders and the customers.

But the government has realized that in what is called the small loans area, there had been flagrant abuses and that some effort had to be made in order to protect the consumers against these abuses, coming from contracts accompanied by credit, from contracts written and given out by finance companies and from the loan sharks, who lend at usurious rates.

Therefore, the governments legislated. First, in Quebec, for instance, there has been the Consumer's Protection Act which particularly refers to loans at usurious rates in section 21 and which determines this rate by regulation. Obviously, the rate is not determined in the act because if it were, at some times of the year, this rate would not be adequate in view of market conditions. Therefore, it was decided to set the exact usurious rates by regulation.

In Canada, there has been first of all the Interest Act, which tried to put some order in the matter. There has been the Pawnbroker's Act. But, mainly, there has been the Small Loans Act. This was aimed at putting some order in the whole area of loans under $1,500, made by individuals, by agencies, by companies, according to rules which were absolutely ferocious and most often disadvantageous for the consumer. Therefore, it was said: From now on, pawnbrokers must have a license to make loans under a certain amount, penalties are provided and they are liable to prosecution for fraud or for breaking the law.

However, the Small Loans Act appeared to be more or less easy to administer. Indeed, by setting figures and rates, some protection was given to a number of people, those likely to fall back on finance companies. But at the same time, another segment of the population was left completely helpless, at the mercy of sharks, and I refer particularly to those who do not have the advantage of a good financial background, those who do not have a good credit rating, as they say in those circles.

When they go to the bank, those people are told by the manager: Sorry, your funds are low. We have no money for you. Then, they apply to a finance company and when they are asked if they have property that could eventually be sold, they reply: No, we just have a TV set, a couch and one or two chairs. Those people go and see an individual and ask him: Could you lend me $50? They get this answer: No. sorry you have no security. That is the big thing: no security. So, those people who have no security to give to the lender—all the same, those lenders must protect themselves, they are not to be blamed for that—but those people with no security are at the mercy of those sharks from nightclubs and other such places who come

and say: We have $50. for you. Here is $50. But there is a problem. Every week you will have to give me such an amount of money.

Usually, and curiously enough, the interest rate is reasonably low by our standards, maybe 24, 25, 25 per cent, sometimes 18 per cent, anyway, it is a reasonable rate. But things go wrong when you get to the penalties. For example, you have a $50 loan at 18 per cent which must be repaid, let us say, in five $10 weekly payments. You have to pay $10 every week. If one week you "forget" to pay $10, then you have to pay an extra $10, and the same the week after and the amount of your loan is not reduced for all that. By that time, you have rocketing interest rates. 100 per cent, 500 per cent, 1,000 per cent, even up to 3,000 per cent.

The result of the whole black market, if I may say so, of small loans is $800 millions. That is what has been revealed by the Cliche Commission, $800 millions in circulation and administered by more or less honourable people, illegal organizations of Montreal and the province of Quebec, $800 millions which are used to finance illegal activities. Well, we have $800 millions. What are we going to do? We introduce a bill to amend the Criminal Code in order to make shylocking activities indictable. With all due respect, Mr. Speaker, I do not think that this is an appropriate way to meet the requirements of that problem.

Indeed, it is always dangerous to include new penal provisions in the Criminal Code, especially when a figure such as 24 per cent is part of the amendment. A 24 per cent rate of interest may be considered as loan sharking in certain circumstances, but not in other situations. Therefore, the important thing is not to say that a rate of 24 per cent is loan sharking, but to protect the consumer. I think the best way to protect the consumer is not to add penal provisions which, let's face facts, will not prevent loan sharking anyway.

● (1750)

What is important, I believe, is to extend the scope of the Small Loans Act, so that all licences be applied to all loans: credit loans, cash loans, large loans, so that the scope of this Act may be extended to all kinds of loans, whatever they may be and that it might be said: "from now on, you have a licence, you must have a contract written very clearly, without any fine print, and a contract where the real conditions of the loan are fully explained, so that the consumer knows what he is getting involved in."

When a consumer takes a loan of $50 at 18 per cent interest, with a penalty clause, he does not think of the penalty; he sees only the 18 per cent and says: It is quite easy, there is no problem. But if the penalty clause increases the interest rate to 50, 100 or 1000 per cent, the poor consumer who did not think it over finds himself in trouble. It is important to make all loan contracts subject to a rule instead of including in the Criminal Code a figure like 24 per cent. To me, it is not proper.

I would fancy a penalty clause to be drafted as follows and which would perhaps meet with what the hon. member for Toronto-Lakeshore (Mr. Robinson) has in mind: Whoever resorts to any kind of threats or assaults or to any other form of coercion to obtain a loan is guilty of a criminal offence. We then go into another aspect of loan sharking, a quite important one indeed.

[Mr. Lachance.]

In fact, if a $50 loan, for instance, is made and if the man who has been granted it is not paying back every week the money he owes, he brings down upon himself, or still worst upon the people dear to him, threats of a physical, intellectual or other nature.

And I think that this is the most serious aspect of loan sharking because the individual who has been granted the loan is not in a position to defend himself against sharks. He is squeezed in, he has no alternative, he must pay, he must find any way whatever to pay the loan back. A woman might have to prostitute herself, a man might have to steal. There is no alternative since otherwise the borrower's life is threatened. This is, I think, the most serious aspect of loan sharking and it is for this reason that we must pass legislation. I leave it up to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to legislate so as to see to it that loan contracts are well explained to consumers in order that they may be completely protected.

Mr. Paproski: Shame, shame!

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Mr. Speaker, my hon. friend expressed his opinion and if he wanted to show his usual kindness, he would allow me to express mine in the few minutes which I have left.

The bill makes it an offence to grant loans at rates exceeding 24 per cent. Its drafting and place in the statutes raise a number of difficulties. First, the provision, which would come under the section of the Criminal Code on aggravated theft or extortion, does not make any reference to threats, accusations, acts of violence or assault prior to the acceptance of the loan.

What is the real social problem in that case? Is it as a result of threats against them or their families, blows or other doings already considered as offences under the Criminal Code, that some agree to pay excessive interest rates or is it on account of their social and economic situation or their limited ability to borrow that others cannot more readily and on better conditions get the money they urgently need from respectable institutions or organizations?

If, as indicated by the suggested place for this offence under the Criminal Code, it is the first idea to remember in this bill, it should be noted that

(a) open threats, made to force someone to accept a loan, are already offences under the Code,

(b) the bill will not solve the matter of "loan sharking", since assault, extortion, threats and so on, are already considered as criminal offences in the Code.

For lack of any form of extorsion as a condition for obtaining the loan or its reimbursement, this bill partakes really of the nature of a loan sharking interdiction. This bill may come up against the current Interest Act which provides that, except otherwise legally indicated, people may agree upon interest or discount rates. The abrogation of this principle, civil in nature, by a bill with penal connotations may seem an extreme step.

It is clear that these involve serious social and economic problems which may be solved only by more sophisticated means than the creation of still another offence, a step which may be too simplistic, general and vague. For instance, if the provisions governing loan sharking were reinstated, freedom to enter into pecuniary obligations would be limited by strict penal provisions, while it might be less limited by civil and statutory proposals which would take into account:

a) the needs and situation of the people seeking loans with high interest rates;

b) the situation of the credit market;

c) the use to which borrowed funds would be put.

Thirdly, this bill contains details which could contradict the intent of its mover.

The fact that the new section would not apply to money lenders under the Small Loans Act could have serious consequences. What is meant here is "any person other than a chartered bank who carries on the business of money-lending" ... Consequently, the proposed amendment to the Criminal Code cannot apply to anyone to whom the definition of money-lender, under the Small Loans Act, applies.

Essentially the bill seems to be intended to reinstate the crime of loan sharking but it cannot be reintegrated into the present federal legislation nor solve what problems it creates. Of course, other economic and penal concerns must be taken into account to understand the spirit in which the problem of loan sharking is envisaged in the bill.

To my mind, the best way to approach the problem of loan sharking would be to propose changes to the Interest Act and the Small Loans Act. I understand that the department of Consumer and Corporate Affairs is working on legislation to that effect.

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): Mr. Speaker, in the short period of time I have left in this debate, I would like to umphasize that, in spite of all the measures put forward in this House, of legislation on small loans, on pawnbrokers, it must be noted that these measures did not have the designed effect and that loan sharks stay in business; it has even become a well established business in the province of Quebec. If we examine what has been revealed recently by the various commissions of inquiry in the province of Quebec, the victims of loan sharking are always the low-income people.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. The hour appointed for the consideration of private member's business has now expired. It being six o'clock, I do now leave the Chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Non-Canadian Publications

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, at the adjournment of the debate this afternoon I was attempting to indicate to the minister, and I hope to his colleagues on that side and also to other colleagues in the House, that the object at which I suppose all of us are aiming is so significant and so important that it ought not to be sought by a piece of legislation that is negative in approach to the problem and will really do nothing in terms of the development of the Canadian publishing industry.

What I tried to point out is that the intent of the government in this regard relates to a subject matter that is worthy of some considerably positive approach. I tried to emphasize before the adjournment break some indication of what the positive approaches might be.

I quoted from the comments of the hon. member for Cochrane (Mr. Stewart) who discussed this matter. He used the term "guidelines" in the course of his speech. I wish to quote again from his speech because I felt it was a very thoughtful speech. As recorded at page 5893 of *Hansard* he said, directing it to his own colleagues:

> These guidelines extend those already in the act which have to do solely with ownership, directorship, printing, editing and publishing. They ensure that all the economic benefits of the entire corporate operation accrue to Canada, to Canadian employees and Canadian talent, save only that minor portion of revenue that would go to a non-resident investor whose equity Canada was making use of. They would, at the same time, avoid this government getting involved in the highly dangerous art of editorial content and editorial policy. They would give the same rules to all and provide, once and for all, guidelines that would permit the Canadian magazine and periodical industry to work to the cultural, economic and social benefit of the citizens of this country.

I think that is the purpose of each one of us in this House. I believe it is as neat a phrase to coin as one could find on this subject. Unfortunately, however, this is not the objective which this legislation will help us reach in a constructive way.

I ask the government's supporters who feel as strongly as I and many others do about this subject to come forward and speak in this debate. As I said earlier I do not consider this to be a partisan matter. I think the issues here are above partisan politics. I hope this debate and the spirit of it will somehow put under the industry the framework on which it can flourish. As a member of this House I am not satisfied that this, however well intentioned it may be, is that kind of legislation.

I hope before this debate is finished the government will reconsider its position with regard to this legislation and reconsider its stance in respect of it. I believe that if the

government does this it will earn the respect of the Canadian people who are beginning to ask questions about the propriety of this legislation, having regard to the objective every Canadian should have, namely, that of a strong, viable Canadian publishing industry. I submit this to the government through you, Mr. Speaker.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the hon. member for Grenville-Carleton (Mr. Baker) has extended such a warm invitation to us on this side to participate that I think we ought to take advantage of his invitation. I agree with him of course that this is a matter which is very important for the well-being of Canadians. It is a matter which I do not think should be the subject of political partisanship, and I will pay him the tribute that I think his partisanship on the subject is more subtle and indeed more positive than that of his colleagues.

Bill C-58 is not a bill about *Time* and *Reader's Digest*. It is not a bill under which we are here to pass judgment on what we think are the merits of these two publications. I doubt if there are any more avid readers of *Time* magazine to be found anywhere than among the members of this House generally, and certainly among members on this side of the House. It is our weekly companion. If *Reader's Digest* is any less read, it can be only by a hair's breadth. These magazines are highly respected in Canada. They are thought well of by the people and by us.

This bill, however, is not a bill about *Time* and *Reader's Digest*. It is a bill about opportunity for Canadians. Actually it is a very simple bill. The contentious part of the bill is found in half a page, in two clauses. The effect of it really is merely to remove subsections (2) and (4) from section 19 of the Income Tax Act and restore in slightly different form subsection (1). This is so true that it was clearly realized by the opposition at the beginning. I am sorry I misplaced my next quote for a moment. You will have to bear with me while I dig out January's *Hansard*, Mr. Speaker. It is in *Hansard* of January 23.

● (2010)

The utter simplicity of this bill was clearly recognized at the time the initial statement was made by the Secretary of State (Mr. Faulkner), a statement which takes less than a page in *Hansard*, and in the statement of the hon. member for York-Simcoe (Mr. Stevens), a really admirable reply in its brevity and in the position which it exposes—a comment which I would not always make about the statements of the hon. member for York-Simcoe. I am sorry he is not here tonight to receive my admiration. On page 2527 of *Hansard* of that day he is reported to have said:

> We believe that the move to eliminate the income tax advantage shared mainly by two magazines, *Time* and *Reader's Digest*, is a good one.

That is really the essence of his statement. The statement is simple, his response is simple, and he says that the government's position is a good one.

He raises only two caveats. He is concerned about a monopoly and he is also concerned about the future of the employees, but there is no mention of any worry about censorship, content, or anything of that kind, just two simple concerns which the official spokesman of the opposition had in mind at that time.

This was also well appreciated by the Leader of the Opposition (Mr. Stanfield) in a memorandum which he circulated to all members of the House on March 21, in the third paragraph of which he said:

> It is correct that the Progressive Conservative Party has indicated its support for the elimination of any special tax status in section 19, but I wish to make clear that this does not necessarily indicate approval by our party of the definition apparently being adopted by the government as to what publications qualify in terms of tax deductibility for advertisers.

That statement was aimed at an interpretation which at one time was thought to be the interpretation of the Minister of National Revenue (Mr. Basford), but was subsequently proved not to be so. Our good minister still has an open mind on the subject of what is the proper interpretation of the Income Tax Act. Given the fact that that interpretation is no longer current, the gist of the statement of the Leader of the Opposition is that the opposition had indicated its approval for the elimination of the special tax status in section 19—a very simple statement about a very simple action.

Indeed there is but a single point in this legislation. It has to do, to express it in terms of equity, with the inequity of two non-Canadian publications having a special status over other non-Canadian publications, and the inequity for Canadians of these two non-Canadian publications having the same status as Canadian publications or, as I would prefer to put it, in terms of opportunity for Canadians, the government proposal is to provide an inducement to Canadian business which will provide that kind of opportunity to Canadian writers and editors which has not previously existed.

Unfortunately, this simple proposal by the government has been overlaid by a number of confusions, ones which have been raised, I think not entirely accidentally, by members of this House on the other side. The first confusion is the demand for a total policy on periodicals. That is a proposal which we heard in the speeches of the hon. member for Fundy-Royal (Mr. Fairweather) and the hon. member for Edmonton-Strathcona (Mr. Roche), to pick only two, but they were among the more embarrassing examples of this genre. This was really an attempt to deflect attention from the issue of the legislation.

The Secretary of State has clearly said that this bill is by no means an attempt to define a publications policy. May I quote what he said on May 8 as follows:

> The difficulties facing that industry have for some time been a matter of concern to my department and to me; for some months now we have been engaged, in co-operation with the industry, in the development of a plan of action aimed at finding solutions to certain of its problems. I regard the amendment proposed in this bill as an important element of that plan and one that is essential to its success.

He refers to it later as a stage in the development of a program of effective government assistance to Canadian periodicals. Only last week in the Standing Committee on Broadcasting, Films and Assistance to the Arts, the Secretary of State tabled a document which indicates the federal government's response to the federal aspects of the Rohmer Royal Commission. In that are stated the government's policies with respect to such things as book purchase programs, fairs abroad, the Association for the

Export of Canadian Books, the revision of the Copyright Act, the gathering of statistics, co-publishing with the private sector, aid to authors, aid to publishers, project grants program, translation grants program, special grants, aid to promotion and distribution, the National Library, and so on. All these involve the government in the expenditure of millions of dollars for the assistance of the publishing industry in Canada.

Yet opposition members are saying that this is not a complete statement on the publishing industry. Of course it is not, but it is not a statement which is made in a vacuum; it is a step in the process. Hon. members who have been in the House for some time know it is not always the case that the government comes forth with a complete program at one time. The whole tradition of the common law, one of the geniuses of the British system, has been the growth from step to step of policy. Once you see it in operation you are then able to build a better structure on it. It is within that tradition that my colleague, the Secretary of State, has been developing his program.

Another of the confusions which has been thrown over the simple point of this bill is the use of extreme rhetoric. I will quote but one example from the hon. member for Calgary North who, we must all admit, is occasionally guilty of this fault.

On page 5889 of *Hansard* he is reported as having stated:

> This government has taken over everything else, and now it wants to tell us what we should read . . . To me this is a complete affront and an attack on the freedom of our minds, or freedom in every respect.

Later he concludes his speech, as recorded at page 5890 of *Hansard*, by saying:

> The government is guilty of implementing a bill of censorship. It is the worst form of taxation in the history of this country. It is a disgrace to the Liberal party.

I do not know whether or not hon. members opposite this evening would care to defend that statement, but I must admit that when I see such extremes of speech my mind tends to go back to certain earlier incidents, and I recall that when the original legislation was introduced in 1965 the Winnipeg *Free Press* published an article of which it is probably not too proud in retrospect.

In June of 1965 the *Free Press* compared Walter Gordon to King George III "He taxed advertising", to Adolf Hitler "He jailed editors", to Joseph Stalin "He made the press a government mouthpiece", and to Fidel Castro "He exiled editors". It was maintained that censorship of advertising was the same as censorship of editorial news matter, for it interferes with the right of people to inform themselves of what products exist so that they might decide for themselves how to spend their money. This is based on the view that paid advertising has the same rights in our tradition of free speech as pure speech itself. That is not the Liberal view.

The hon. member for Calgary North—I am sorry that he is not here this evening to hear my comments on his speech—was calling for a philosophical redefinition of the Liberal Party. We know what we are about over here, and I propose to tell him tonight, through you, Mr. Speaker, what the position of the Liberal Party is on matters such as this. We welcome the occasion to do this, but it is not because we need the enlightenment.

● (2020)

To come to the fundamental question in this area as to the meaning of civil liberties, which is really what is at stake here, I think reputable authorities will agree that civil liberties in our society are best classified as rights which are at the same time negative and personal. They have these two characteristics. They are ones which are negative in scope. They say "thou shalt not," and at the same time they relate directly to the human person, not to all the activities of the human person but to those which relate most directly to the democratic process.

In fact we might put it this way: civil liberties are those rights which are most fundamentally necessary to the democratic process. If what was in question was an elimination of all advertising in our society or all advertising of a particular kind, there might indeed be a question of civil liberties raised, because one might contend that the elimination entirely of the right to advertise was an unreasonable restraint on liberty which went to the very heart of the question of human liberty in a democratic society.

But when what we are talking about is not that, but is the question of how we are to direct and to limit our advertising, it would be very hard for any impartial observer to understand how this bill could be said to be a detriment to our civil liberties or to be an attack on our fundamental freedoms, as the hon. member for Calgary North has suggested. We restrict advertising, for instance, with respect to liquor, and we limit advertising on television and radio. In fact under the original law in 1965 we put in this same limitation. We are merely applying it to other magazines in this case, three other publications—if there is a third one involved.

But there is nothing new here. This is not a new law. This is a slight extension of an existing law, and the hon. member for Calgary North does not appear to have appreciated the fact that we are already faced with the same situation, and that in our whole society people accept the fact that advertising may be limited and directed by the law in the interests of the public good.

When hon. members such as the hon. member for Calgary North raise a question about what it is to be Liberal, it reminds me of the time when President Eisenhower—I think it was in the 1952 election—said that it was his goal to be liberal in human affairs and conservative in economic matters, but as Adlai Stevenson retorted at the time, the problem with the Republicans was that what they thought was an economic matter, everyone else thought was a human matter. I suggest that the hon. member for Calgary North could well give some further thought to the kind of Liberal philosophy we have on this side.

It has also been claimed that there is retroactive discrimination here, and I object to both parts of that contention. The history of legislation in this area is worth discussing very briefly, because as far back as 1922 the Magazine Publishers' Association requested parliament to impose a protective tariff on foreign periodicals. In 1931 the Bennett government partially satisfied that request by imposing a duty on foreign magazines entering Canada, a duty calculated upon the degree of advertising content in these magazines. The duty proved to be somewhat effective in that 47 U.S. periodicals began printing in Canada

for the Canadian market to avoid payment. I think that is a significant point.

I am not so happy with the next fact, but I am being honest with the House, so I will relate that in 1936 the King government decided to repeal the import duty within the content of a reciprocal U.S.-Canada trade agreement. In 1943 the first publication of the Canada editions of *Time* and *Reader's Digest* began. Then, because of the growing problem in the 1950's, the St. Laurent government decided in 1956 to impose a 20 per cent tax on advertising contained in the Canadian editions of 10 foreign periodicals as of January 1, 1957. For other reasons, as this House is well aware, the St. Laurent government was soon replaced by the Diefenbaker government, which rescinded that legislation, but then in turn appointed the Royal Commission on Publications in 1960, which reported in 1961. It was this commission, chaired by a Conservative, a member of the other House, one of the most esteemed members of the other House, Senator O'Leary, which made the recommendations which essentially we are now enacting.

However, in 1965 when the government of that day decided that the time had come to introduce legislation, it decided not to go as far as the O'Leary commission had recommended, and in the legislation passed at that time, *Time* and *Reader's Digest* were exempt. But this was a position which was not reached on the basis of principle.

I do not think anyone in Canada at that time believed that *Time* and *Reader's Digest* were granted a special exemption from the law because of principle. This was an exemption granted out of the weakness of Canada at that time vis-à-vis the United States with respect to certain very important positions we were taking with the United States. In fact it has been said that the automotive pact, which is of so much value to Canada, might not have come into being if Canada had not been prepared at that time to make this concession. The government at that time made the best decision it could in the context of that time, but this was not a decision which was made because it was the best decision. It was made because it was the best decision possible in the circumstances.

Obviously any company which relied on this was relying on it at its own risk. As so-called Canadian publications, *Time* and *Reader's Digest* were supposedly as well aware of Canadian political experience as any other Canadian companies. They could see the situation, and they knew that they were relying at risk. The compliance of *Time* with this legislation has been as minimal as possible. It could have decided to increase its Canadian coverage—and it did add a page—but still only 4 per cent to 10 per cent of the content of *Time* magazine is Canadian. It could have hired a few more Canadians, and indeed it did hire a few, but only a few. It could have sent Canadian correspondents to other parts of the world to report, but it decided not to. In short, *Time* magazine was living up to the judgment which Henry Luce himself made about it in his appearance before the O'Leary committee, that it was in no sense a Canadian publication. It was strictly and always an American publication.

The compliance of *Reader's Digest* with that legislation was much more wholehearted, and here I recognize that the hon. member for Grenville-Carleton (Mr. Baker) certainly had a point when he differentiated between the way

[Mr. MacGuigan.]

Reader's Digest had established itself in Canada and the course *Time* has chosen to follow. *Reader's Digest* is 32 per cent Canadian in ownership, whereas *Time* is still wholly American owned, and it has, arguably, as much as 24 per cent or 25 per cent Canadian content. In addition to that it has followed the guidelines for non-Canadian corporations which were set down by the Hon. Mr. Winters at that period.

I think it can be genuinely said that *Reader's Digest* has been a good corporate citizen of Canada, and we commend it for that. We give it the same kind of commendation we would give to any Canadian citizen or corporation acting in full accordance with the law. *Reader's Digest* has received its reward. It has received a financial reward. The very fact that it has 1.5 million subscribers and has made them faithful, as we know from letters we have received, the very fact that it has this kind of support indicates it has received a commercial reward for its policy of Canadianism. But this is not to say that when the parliament of Canada decides, as I hope it will be deciding in the course of disposing of this bill, that the time has come to establish a new and more stringent policy, that the rules have to remain as they were.

We are not saying that *Time* or *Reader's Digest* do not have the right to comply with this legislation. Of course they have the right to comply with it. What we are doing is setting more stringent requirements for all publications which would call themselves Canadian. If they can comply, so much the better. Then they will be much more genuinely Canadian than they are now.

● (2030)

Another confusion that has been drawn over this bill, Mr. Speaker, is the notion of censorship or content control. This is entirely a misreading of the bill—a misunderstanding of what the bill is about. What we are concerned with here is not content control but copy control. It is analogous to dumping, in the manufacturing area.

Magazines such as *Time* and *Reader's Digest* which are subsidiaries of magazines in other countries have their editorial content largely provided by those countries. In the case of *Reader's Digest* it is claimed that the roughly 76 per cent of non-Canadian content is re-edited and typeset in Canada. I do not doubt that but that is certainly the least expensive part of the process. If this were not so, *Reader's Digest* would not be able to state in their briefs and submissions to us how hard they have tried to develop a pool of Canadian writers. If re-editing were the difficult and expensive part of the process I do not think they would make that kind of claim.

In addition it would appear from published reports that the licensing agreement *Reader's Digest* has with its parent requires out-of-country approval of the editorial content in the Canadian edition. I do not personally believe that this right to editorial control is actually exercised. From what I have seen I believe that not only are the Canadian editors and publishers admirable people but they generally try to make their publications as Canadian as their owners allow—and perhaps more Canadian than their owners wanted, as a result of previous legislation—but they have also stood up for their editorial independence. The fact remains, however, that the editorial agreement,

or the licensing agreement, allows the American editors to control the magazine if they wish.

The penalty of the bill is not extinction for those magazines; the penalty is that they are forbidden to copy. If *Time* and *Reader's Digest* wish to comply, they may become genuinely Canadian. We would welcome this. They would become as Canadian as any other Canadian publication.

The situation is very much like that of a child in an examination who is copying from the student in front all through the test. The teacher who finds this child copying does not object to what he is writing. We are not objecting to the content of *Time* and *Reader's Digest*; what we are objecting to is the fact that it is being copied. The fact that the child is not exercising his own creativity, has not done the work himself, and has not borne the cost of preparing his own examination is what the teacher objects to, and that is exactly what we are objecting to through this legislation—the fact that these magazines are copies, almost carbon copies, of magazines which are essentially American. If these magazines cease to be copies, if they become genuinely Canadian, the problem will cease to exist.

I do not doubt that members of the opposition are troubled about this because they have apparently misunderstood the legislation before us. Section 19(5) (a) (F) of this legislation says that to get the tax advantage a periodical has to be:

not . . . substantially the same as the contents of an issue of a periodical . . . that was or were printed, edited or published outside Canada;

This means that it must not copy from one single foreign publication. If it is going to be an eclectic publication or a copier which copies from a whole series of foreigners, whether it be Reuters, Associated Press, or any other news agency, this is not forbidden by the legislation. In fact one might say that the legislation does not go far enough on this point. The fact is this legislation will be sufficient to handle the problem, we believe, as long as the whole thing is not copied from one single foreign publication. If they are prepared to choose their content from French or Italian publications, or even two or three different American publications, there is no problem. That is what the legislation says.

Mr. Stanfield: Oh, come on.

Mr. MacGuigan: The Leader of the Opposition (Mr. Stanfield) says, "Oh come on". It is right there in the legislation, Mr. Speaker.

An hon. Member: Do you agree with that, Ron?

Mr. MacGuigan: I am sure the Minister of National Revenue will give an accurate interpretation of what is written in the legislation.

As the Secretary of State has said, a magazine could be considered Canadian even if its contents were entirely written by foreigners living outside Canada provided those contents were not "substantially the same" as the contents of a single foreign magazine. That is all we are talking about, Mr. Speaker, whether *Time* and *Reader's Digest* are to copy their contents from a single foreign magazine. If they are prepared to meet the ownership requirements and if they are prepared not to copy from a single foreign magazine, not to allow their parent to dump their editorial content into Canada through a form of cutural dumping which should have no place in the publishing industry of Canada, and will have no place if this legislation is passed—if they are prepared to become as Canadian as their Canadian competitors, we will let them, and be pleased to have them continue.

The final confusion that I would refer to, Mr. Speaker, is the one raised by the hon. member for Cochrane (Mr. Stewart) about the state of mind of the Liberal caucus. I want to state unequivocally—

Mr. Fairweather: Can't you wash your linen in your own caucus?

Mr. MacGuigan: —that this legislation has gone through the normal process in the Liberal caucus. It has followed exactly the same pattern as every other bill. I think the best indication of that will be found in the words of the hon. member for Vaudreuil (Mr. Herbert), who was opposing the legislation. At page 5613 of *Hansard* he said:

. . . I shall abide by the majority wishes of this party which have been clearly expressed in caucus . . .

This was from a member of the caucus who does not agree with it, Mr. Speaker, but recognizes that the will of the party is expressed in caucus. He continued:

. . . and I shall vote to send this bill to committee.

I think that should dispose of those considerations that seem to have stirred up the opposition. Obviously when it has such confusion in its own ranks and is spreading confusion in the minds of the public, its easy strategy was to attack the government and try to exploit any imagined weakness it can find in government ranks.

I wish finally to speak of the positive purpose of the legislation. Up to this point, while I have been speaking about this indirectly, I have been speaking more particularly about the confusion drawn both by the publications involved and by the opposition across the consideration of this bill by the country.

Almost 50 per cent of the advertising revenues received by the 14 consumer magazines affiliated with the Magazine Association of Canada is received by these two magazines. That was something like $19 million in 1974. Even if we were to take the survey by Canadian Facts Incorporated as accurate—and we on this side are far from granting that because obviously it was commissioned by an interested party—that would mean that something like one-fifth of $19 million would have gone to Canadian consumer magazines other than *Time* and *Reader's Digest* last year.

The hon. member for Fundy-Royal will recall that he and I, and a number of other members, met with the publisher and editor of *Saturday Night*. They said that while they were not counting on the new legislation—because it was not yet passed—to sustain their magazine, as much 1 per cent or 2 per cent of the amount spent on advertising in *Time* magazine alone would make a clear difference for them between life and death. That is the kind of difference we are talking about when we are dealing with the survival of Canadian magazines. We are talking about smaller amounts of money, even percentages

of the $19 million, that could make a difference between life and death for many Canadian magazines.

● (2040)

We on this side recognize that there will be some losses as a result of this legislation. If *Time* and *Reader's Digest* conform, the losses will be largely on their part in the adjustments which they will have to meet. If they decide not to conform and to cease publication, the losses will be in the form of unemployment for the people involved. It is not a large number, but we on this side of the House are very concerned about unemployment for anybody. If our hopes are fulfilled there will be a great deal more employment for a great many more Canadians than at the present time.

We also recognize that in a sense we are taking a chance. No one knows with absolute certainty what is going to happen. We had a royal commission and a Senate investigation into this problem. They both came to the same conclusion. They are the only two governmental studies that have been conducted. Both felt there should be encouragement for Canadian publications, with deductions for advertising in Canadian magazines alone and not for non-Canadian publications such as the ones in question. If any further proof is necessary, a book on cultural sovereignty was recently published by two professors from Columbia University and with no allegiance to Canadian nationalism they came to the conclusion that our cultural sovereignty demanded that we press forward with a more vigorous policy than we had before this bill was introduced.

I would conclude by bringing to the attention of hon. members the words of the O'Leary Commission as follow:

> A nation's domestic advertising expenditure should be devoted to the support of its own media of communications, and—a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

The same great Senator, a member of the Conservative party, also said:

> Only a truly Canadian printing press, one with the feel of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society.

As the hon. member for Grenville-Carleton said, this is not a partisan issue, or at least it should not be. It is an issue in which the Bennett government took action and the St. Laurent government took action. The Diefenbaker government appointed a royal commission. The great Senator Gratton O'Leary himself recommended we should pass this kind of legislation. It is true to the original impulses of the Conservative party in their response to the announcement by the Secretary of State earlier this year. It is in this spirit we hope this legislation will be proceeded with. We hope members opposite will be true to the historic commitment of their party and their own initial commitment to this legislation, and that they will join us in seeing it pressed through so that this new form of national policy in the cultural area becomes an important building stone for the Canada of the future.

Some hon. Members: Hear, hear!

[Mr. MacGuigan.]

The Acting Speaker (Mr. Penner): Before recognizing the hon. member for Red Deer (Mr. Towers), I believe the hon. member for Bellechasse (Mr. Lambert) wishes to put a question to the parliamentary secretary.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the member for Windsor-Walkerville (Mr. MacGuigan).

Since I gather from what he has said that he establishes a clear distinction between *Time* and *Reader's Digest*, could the hon. member tell the House whether he would be willing to accept the status quo with regard to *Reader's Digest* and that the bill in its present form be applied rather to *Time*, considering that, if I understood him well, he established a marked difference between these two magazines.

[*English*]

Mr. MacGuigan: Mr. Speaker, I was trying to say that emotionally I have a genuine rapport with the publishers and editors of *Reader's Digest*. I think they genuinely tried to be a Canadian company within the limits that were allowed by their owners in the United States. However, that is not a substitute for policy. I believe the public interest takes priority over any feelings which I may have about these people as good fellows. I believe that this step forward requires us to give the maximum assistance to Canadian publications. We must force them to become even more Canadian than they are at the present time.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, with your permission, I should like to ask the following—

[*English*]

The Acting Speaker (Mr. Penner): Order, please. I would advise the hon. member for Bellechasse (Mr. Lambert) that the time of the parliamentary secretary has now expired. This exchange can only continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, the situation being extremely serious, I cannot deal lightly with matters of such importance to Canada and its neighbors to the south. Would the hon. member be willing to recommend or suggest to his colleagues of the cabinet that those matters be dealt with in two different pieces of legislation in order to allow all the hon. members to perceive clearly and draw a dividing line between the respective position and activities of the two magazines, in order to do justice to both according to their respective merits?

[*English*]

Mr. MacGuigan: Mr. Speaker, probably the shortest and clearest answer I can give to that question is that I am supporting the bill before us. It does not introduce a new principle. The principle was introduced in 1965. This is merely the logical extension of that principle which the government at that time was not able to give effect to, Mr. Speaker.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I appreciate the opportunity to speak in this debate. It is amusing to listen to members on the government side trying to make an issue out of the grudging statement of the hon. member for York-Simcoe (Mr. Stevens) at the time this legislation was introduced by the minister. The fact is that this legislation is much worse than was anticipated by the hon. member for York-Simcoe, other members, and even the minister. At the time the minister introduced this legislation he did not realize it was going to include newspapers in western Canada, newspapers that are fulfilling a function for Canadians.

Some hon. Members: Hear, hear!

Mr. Towers: The trouble with these ministers is that when they bring in legislation, they do not realize how bad it is. Once we begin to debate it, the faults are brought to their attention. At that time, however, they will not change their position.

It is interesting to watch the manoeuvring on the government side. This afternoon the hon. member for St. Paul's (Mr. Roberts) tried to save face. On Friday the hon. member for Cochrane (Mr. Stewart) in a forthright manner honestly criticized this legislation. The hon. member for St. Paul's said there was no division and that they were a coherent party of resolution.

I am sure most members of parliament have received letters from all parts of the country concerning this bill. I have one letter here I should like to put on record:

● (2050)

Thank you for writing to advise me of your reaction to the announcement by the Honourable J. Hugh Faulkner, Secretary of State, that he intends to rescind Section 19(2) of the Income Tax Act and its effect on *Reader's Digest*.

I have been openly opposed to this step. It is discriminatory and unjust—a threat to the life of a first class landed (corporate) immigrant for more than 30 years. Not only has *Reader's Digest* provided jobs and writing opportunities to many Canadians within a small industry—magazine publishing—but more than any other magazine published in Canada, it has provided features and news (mature and well researched) each month from all parts of Canada, linking this country.

I will continue my fight against the proposed action when it comes before the House of Commons, and if it comes before the Broadcasting, Films and Assistance to the Arts Committee.

It goes on to say:

There has been an attempt by certain people—in some cases misinformed and in others, deliberate distortion—to convince the public that *Reader's Digest* is subsidized by the government. This is not so. It is simply a case of allowing free choice of advertisers in Canada by which to sell a product.

Obviously, if they are penalized because they want to advertise in the magazine of their choice, they will not necessarily turn to a news media; many could send it out of the country to *Digest*, U.S.A., or to newspapers, television, *Maclean's* and *Chatelaine* already overweight with advertising, as opposed to news and feature content.

I also feel that as citizens, we all have the right to choose the magazine we want to buy. I appreciate the fact that *Reader's Digest* provides Canadians not only with a good balance of national material, but with universal and international subjects.

I also prefer *Time* over *Newsweek*, U.S. *News* and *World Report* etc. for the same reason; *Time* provides a good, concise, objective record of international news along with well-written, depth, packed reports of Canadian interest.

Non-Canadian Publications

Personally, as a writer, I fear the action to eliminate a market for writers and allied industries, especially beginners in this field. If *Reader's Digest* closes out in Canada, this could eliminate jobs in Vancouver and Montreal, lose $5.2 million in salaries for 450 Canadian employees (including $700,000 in fringe benefits and $600,000 in profit sharing); $22 million in trade with Canadian suppliers; $1.6 million in taxes; $3 million in first class postage (not counting the magazine distribution itself). The company has $8 million invested in office, printing presses, and other capital equipment in Canada.

Unfortunately, a small pressure group under the guise of a "Committee for an Independent Canada", with vested interest in the publishing industry are using this to eliminate competition. Without such competition, and the quality this publication presents, certain magazine publishers will continue to sustain their mediocrity, if not deteriorate further. The Committee for an Independent Canada began with what seemed—on the surface—excellent objectives. However they are now distorted, more anti-American than nationalisitic. In either case, I think cultural nationalism in our present Global Village is foolish and immature in the last quarter of the 20th century.

I have opposed and will continue to oppose any attempt to end the life and public responsibility of *Reader's Digest* in Canada.

Mr. Speaker, that letter is signed "Simma Holt, M.P.—Vancouver-Kingsway".

Some hon. Members: Oh, oh!

An hon. Member: Yea, Simma!

Mr. Towers: If the hon. member for Windsor-Walkerville (Mr. MacGuigan) wants to be enlightened he does not have to look to the hon. member for Calgary North (Mr. Woolliams); he can turn around and look behind him and get the message. I just hope the hon. member for Vancouver-Kingsway has an opportunity to express her views in this chamber.

Let us consider the following statements which have been made in this Chamber:

The government did not arrive at the decision to present this bill easily ... I rather suspect that a good number of ministers were not present when this decision was made ... there are an awful lot of people on our side of the House who do not go along with it ... the minister snuck it in.

These are not words of a news commentator; they are not the words of a representative of the Red Deer *Advocate*, of *Reader's Digest*, or the *Time* magazine, nor are they the words of legal counsel for these publications. They are not the words of an opposition member of parliament, but rather they are the words of an elected representative of the people of Canada on the government side of this House. I have to pay tribute to his fortitude in standing up to speak in a forthright manner, regardless of the consequences, especially when he sees a minister of the government make what he considers to be a mistake.

I hope other members on the government side will also get up off their hands to express their opposition, in spite of the fact that the minister said this bill is going through. In the light of what the member for Cochrane said, I wonder if there is unanimous support for this legislation within the cabinet.

I find it difficult to understand why we are debating legislation of this nature at a point in time when the economy of our country is in such dire straits. Why are we not dealing with legislation to solve some of our labour disputes; why are we not debating some of the many difficulties relating to our postal service which is confronted with disaster after disaster? This is cover-up legis-

lation with which the majority of Canadians do not agree. Even those who do not express interest in the publications affected are not in favour of this type of restriction being placed on our economy as well as on freedom of opinion.

In view of these circumstances, we have to ask why the bill has been brought forward. The reason was certainly not because of pressure on the government by Canadians as a whole or we would not now be swamped with protests from across this country. In such a situation we can but look to some other source as being responsible for prodding the minister to formulate this bill, or question whether there is some benefit accruing to the minister or to the government. Either the minister or the government is suspect if this legislation is proceeded with now in its present form. I challenge the minister, or the Prime Minister (Mr. Trudeau) to stand up and tell Canadians who is putting pressure on him or on the government to propose this distasteful measure.

Over the years the publishing firms affected have proven to be good corporate citizens; yet all of a sudden the government is telling them they are no longer wanted in Canada under existing regulations. England has been closely related to and good to Canada over the years, and will continue in the same way if we as Canadians treat her with courtesy. Are we to tell one of her citizens: "We do not like you any more; we do not want you here; please go home"? The same goes for the United States. I am as pro-Canadian as any member of parliament, but let me impress upon you Mr. Speaker that being pro-Canadian does not mean I am anti-British or anti-American; neither is it necessary for anyone else to be negative toward them.

We have heard the Minister of Finance (Mr. Turner) say time and time again in this House that we require foreign currency to keep our economy healthy. The minister has stated we will need between $4 billion and $5 billion this year to balance our payments deficit. Making loans of $500 million to Russia is not going to solve that problem. If ever I saw a back-paddling government, we have it in this thirtieth parliament. Why cannot the government take a positive approach?

Situations such as we now face with *Reader's Digest, Time* and the Red Deer *Advocate* are government-created. I mention the *Advocate* because it is the only daily newspaper involved. It is a good publication run by Canadians for the benefit of Canadians. Two million dollars have been spent by this company in Canada, much of it in the Red Deer area. Its facilities have been made available to neighbouring newspapers. The same facilities are required in the Fraser Valley. Why in the world the government wants to treat a good corporate citizen in this manner, I have no way of knowing. Why not spend time in this House trying to resolve some of the existing difficulties instead of concocting new ones?

● (2100)

Certainly it would be to our benefit to continue to be associated with these publishers in the future, as we have for many years. If the government wants to change the rules of the game for new ventures, fine and dandy, but why change the rules now for those who have established themselves as good corporate citizens? It could be likened to the immigration department telling an individual from another country who had not become naturalized but had lived here for years to go through some unnatural exercise every day of the week, and twice on Sunday, or to pick up his marbles and go home. If such an incident did occur, large numbers of people would be crying "discrimination" with a loud voice, but is this happening in this case? Not on your life, Mr. Speaker.

If we tell these people to pack their bags and go home, we have no guarantee that a Canadian publication will replace them. Many of us remember when *Maclean's* magazine was of much greater significance on the Canadian scene than it is today. At one point its articles were used in social studies classes, but in latter years it has lost that significance and impact on Canadian society. Some people seem to be of the opinion that there are special tax privileges granted to *Reader's Digest* and *Time* which are not available to *Maclean's*; but everyone should realize that the same rules apply to all three. I have never been one who believes that you can build up the weak by tearing down the strong. Let us, therefore, not be torn apart because of that fallacy.

While recognizing there could be magazines other than *Maclean's* that might come to the front, I use *Maclean's* merely as an example. In my opinion, the downfall of that magazine can be attributed to two factors; first, accelerated distribution costs by the federal government some years ago; and second, managerial decisions made by that magazine not to print articles and stories of interest to the average Canadian. Fortunately, *Reader's Digest* and *Time* survived in spite of these hurdles, and that is why today so many Canadians appreciate them and want us to ensure they will continue to be available to them as presently published.

I understand that both of these magazines will be available to Canadians regardless of the outcome of this bill, but we have to ask ourselves in what form? First of all there will be a loss of hundreds of jobs to Canadians, a decrease in the amount of Canadian content, and a loss of millions of dollars of revenue to our postal system. I would think that the Postmaster General (Mr. Mackasey) would have something to say about that. In addition, subscription payments will go to the United States and remain there.

Another point we must not overlook is the fact that, due to sparsity of population in this country, there are facilities not yet available to us here, because of cost, which are available in the United States. I am referring to the quantity of printed material that comes to Sunday schools and churches in Canada. No doubt as Canada's population increases this will change and we will be able to supply our own requirements, but until then why cannot we enjoy the best of both worlds? Cannot the minister who is sponsoring this bill forsake his arrogant, uncompromising approach and at least lend an ear to the Canadian public? If he is not about to do that, I hope the members opposite rise up in rebellion and continue to debate this issue until, as the hon. member for Cochrane intimated, "The house leader will withdraw the bill and let it die on the order paper."

This issue is too important to be settled by partisan politics. The social wellbeing of Canadians is at stake here. Surely the minister is man enough to stand up in his

place and admit that bringing in this legislation was a mistake, and withdraw it. If he did so he would certainly enhance himself in the eyes of the Canadian public. If he does not he deserves to suffer the consequences. He should be dropped from the cabinet. I would suggest to him that other ministers have lost their portfolios for less, and that if he remains adamant in his position on this bill he should receive his just dues.

I would hope that members opposite would accept their responsibilities as elected representatives of the people, disregard the party whip, and vote the way their electors requested on this issue. To express opposition to this bill, and then say they will vote for it on second reading, hoping it will be amended in committee, is nothing but hypocrisy and a farce. They will be reminded of their weak stand when some of the employees of *Reader's Digest* and *Time*, if they close out their operations here, are looking for jobs among the long line of unemployed.

No consideraton whatsoever has been given to those who wish to advertise in these magazines and deduct the advertising cost for income tax purposes. In view of all these circumstances I would hope that the Secretary of State would take a second look at what he is proposing for Canadians, and perhaps even at this late date change his mind.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, the shame is not that this bill is being brought forward; the shame, in my opinion, is that this bill has taken so long to be brought forward. Before I became a member of parliament I remember reading, from government to government, how this issue had been brought up either in the Senate, in this House, or in committees, and how all parties agreed that in order to be just the law had to treat all periodicals in the same way. I remember reading the report of the O'Leary Commission. Hon. gentleman in the opposition had their opportunity in 1960 to do Canada a great service by making the law equal so that all periodicals were treated equally.

Having witnessed the debate on this issue going on for so many years, it is an honour to be part of the thirtieth parliament, the parliament that is finally going to pass legislation that has been asked for by the Canadian people for so long. On this basis it is an honour for a new member especially to support the bill, and I thank the minister for bringing the legislation forward. It is my sincere hope that the measure will receive speedy assent.

The Secretary of State (Mr. Faulkner), on behalf of the Minister of Finance (Mr. Turner), several months ago tabled a notice of ways and means to amend the Income Tax Act by deleting section 19(2)(4) permitting certain foreign periodicals to be defined as Canadian publications for tax purposes. These exemptions have permitted advertisers in these non-Canadian publications to deduct the cost of their advertising, in the same way as advertisers in Canadian publications.

At that point, Mr. Speaker, the debate began, and I have followed it with a great deal of interest. Being a new member I sought guidance from those of more experience in this House. And what have I seen up to this point? Instead of discussing the amendments to section 19(2) and (4), I have heard hon. members discussing censorship, I have heard them discussing Hitler, I have heard them discussing Stalin. The only thing I have not heard them discussing is the actual bill.

Some hon. members might feel this is a harsh indictment of others who have spoken before me. I cannot in all seriousness believe that any member of the House regards this measure as anti-American, or that it is a bill that is attempting to censor what the Canadian public reads or does not read, because whether the legislation becomes effective on January 1, 1976, or does not become effective at all, the Canadian people will still have the right to choose which periodicals they will read. I say that for the simple reason that the bill does not intend to make a value decision as to what editorial comments people should or should not read, because it deals strictly with an inequality in the present tax law in that two foreign periodicals are given an exemption over other foreign periodicals.

● (2110)

The hon. member for Red Deer (Mr. Towers), who spoke a few moments ago, did not answer the basic question, and that is that the legislation which has been in existence since 1965 has been unequal, unfair, and discriminatory. Those who have a legal background, which I do not, surely would not propose that this House enact legislation in the future that would be discriminatory in nature such as the legislation passed in 1965.

The very existence of this legislation is perhaps an indictment against my own party of that time. It was not a fair piece of legislation when *Newsweek*, and various other magazines which I think are equal in content to *Time*, were not given the same consideration as was given to *Time*. If hon. gentlemen were in the magazine business in the United States I think they would wonder about the sanity of a parliament that would pick out certain periodicals, give them special concessions, and then wait 11 years before making a change.

Surely our problem is not related to the fact that we are making a change but rather to the fact that it has taken us so long to realize that a change is required. Let us make the law equal for all foreign periodicals whether they are from France, Germany, England, the United States or elsewhere. The law, in order to be just, must not be discriminatory but must be the same for all parties involved.

The suggestion has been made by many hon. members, including the last speaker, the hon. member for Red Deer, that this legislation is somewhat anti-American. Why is it that in order to have a feeling for something Canadian we must put a label on it as being anti something else? Can we not have respect and pride in our own magazine industry and in our own news media without having to label this as being anti something else?

I think all of us in this House realize that the Minister of National Defence (Mr. Richardson) recently stated that NORAD in Canada would soon come under the control of the Canadian forces. I know of no objecting voice in this House. No one stood up and said that western Canada should not have control of NORAD operations in Canada with headquarters in the western provinces. Not one member stood up and said this was anti-American, or that we are against the United States because we are for

ourselves and think we should have control in certain areas. I suggest this same argument could be used in respect of NORAD.

Surely we are not against a particular country or a particular form of thought because we want to foster an industry in Canada. Surely magazines in Canada could truly reflect our national posture better than magazines from France, Germany, the United States, or any other country.

I do not think this minister's proposal has gone far enough in some respects. I see a similar situation occurring in our schools where the textbooks, whether they be on history or on literature, come in from the United States rather than being printed in Canada. Who can interpret Canadian history or Canadian social mores better than Canadians? Why do we have this inferiority complex which suggests that everything done in Canada is somehow second best?

It has been suggested that by making the law equal for all foreign periodicals we are trying to create a monopoly for Maclean-Hunter, or whoever it may be, or that there must be a diabolical scheme because we want to foster a Canadian industry. Why do we have to torture ourselves by suggesting that we must be doing something wrong when we are rejecting something from another country? Surely in the 1970's we have reached the point, as evidenced by this bill, that we can become a nation on our own and we do not have to rely on the thoughts and editorial comments of those in other countries. We have very intelligent people here in Canada.

I support this bill and I trust many of the members in this House will support it, contrary to what some speakers have suggested. I repeat, as my closing statement, that the shame is not that this legislation is being brought in, but that it took us so long to bring it here in the first place.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise to speak on this bill as I would not want my silence on the issue to be construed as an acceptance of the terms of this legislation. With the exception of the debate we had a few years ago on capital punishment there is no other issue that I can recall that has so disturbed the people of my constituency. The flood of letters I have received would indicate the average Canadian citizen is opposed to Bill C-58, which seeks to amend the Income Tax Act aspect that relates to *Time* and *Reader's Digest* and in respect of advertising placed on United States stations directed to Canadian audiences.

Let us consider what this legislation proposes. According to the minister's statement in the House on January 23, 1975, sub-sections (2) and (4) of Section 19 of the Income Tax Act are to be deleted by amending legislation. The minister stated:

> The intent of Section 19, in the first place, was to support the Canadian magazine industry—then, as now, weakened by the virtual domination of the market by American publications. Instead of legislating against the entry of the American material, which would have been an interference with the free flow of information and ideas, the framers of Section 19 legislated an advantage, or incentive, for actual and potential Canadian magazines. However, the addition of sub-sections 2 and 4, now to be deleted, vitiated the intent of the section by exempting from its requirements the two main competing foreign magazines. The proposed amendment to the Income Tax Act will, as of January 1, 1976, restore to Section 19 the force and intent which its authors had in mind. I am confident that the enterprise and skill of the Canadian magazine industry will seize this opportunity. It is my hope and expectation that this decision of the government will result in the creation of a Canadian news magazine.

[Mr. Anderson.]

I have no special brief for *Time* or *Reader's Digest*. I have been a subscriber to both magazines for a period longer than I would care to admit in this House. I enjoy reading these magazines for they give me a thumbnail sketch of what is going on in the world; not just in Canada, but in Washington, Viet Nam, Tokyo, Hong Kong, Paris, London, or you name it. Generally speaking there will be an article of interest in these magazines on a worldwide scale.

I presume my literary tastes compare with the majority of my constituents and those of other Canadians, which obviously account for the popularity of these two magazines in Canada. In response to the minister's charges against these magazines, what has the *Reader's Digest* to say in its defence? To the charge that the *Digest* has special tax privileges the editors and the owners reply that this is just not so. They state in a special edition put out in May, 1975, certain facts about the *Digest* status in Canada. They state:

> The effect of Section 19(2) has been to put the *Digest* on exactly the same footing as other publications in Canada by allowing companies that advertise with us to deduct the cost of their advertising on the same basis as any other business expense when computing income taxes. The *Digest* pays corporate income tax at the same rate as other companies; it has no tax advantages that other magazines printed and published in Canada do not have.
>
> This provision of the Act was passed by Parliament ten years ago in recognition of the fact that certain publications—among them the *Digest*—had a prior history of corporate citizenship and publishing in Canada. Thus, if Section 19(2) is rescinded, it will not remove "special tax privileges" since they do not exist. Instead it will create special penalties which apply to no other *Digest* edition in the world.

● (2120)

> It will class the Canadian *Digest* with magazines which have never published in Canada, have no editorial or service staff in this country, make no attempt to select and edit their contents for the Canadian reader, and have made no investment in, nor commitment to, this country. In addition, it will, in effect, impose a penalty on Canadian advertisers who have found that the *Digest* is useful to them in their business.

The minister in addition has charged the *Digest* with what he calls editorial dumping. To that charge the owners of the magazine replied:

> This magazine, it is sometimes said, has unfair advantages over Canadian magazines because it has access to editorial material at nominal cost which is dumped in Canada. By definition, dumping is the importation and sale of a product, virtually unchanged, at a price lower than in the originating country—so enabling a firm to undercut local competition. But the *Digest* sells for the same basic price in Canada as in the United States, and for a higher price than either of its major competitors, Maclean's and Chatelaine. Its Canadian advertising rates are proportionately higher than in the U.S. and competitive with Canadian magazines (while having a smaller page size). Moreover, it is fully edited for Canada, with a different selection of material than that used in the U.S. edition.
>
> In fact, the Canadian *Digest's* method of paying for its foreign material is no different in principle from that of Canadian newspapers which subscribe to foreign and domestic news services at less than the cost required to produce the material.

I have sent many, although not all, of the letters I received from my constituents to the minister's office. I did not want to burden him with all the letters. The minister in his reply to me as of March 19, 1975, stated among other things:

I would like to emphasize that the key element in the Canadian character of a magazine, as set out in the law, is where the control resides over its editorial policies. If that control lies outside Canada, then, in view of the government, the magazine should not be considered Canadian and should not benefit from tax exemptions intended for the Canadian segment of the industry. In the case of *Reader's Digest*, there is a contract between the American owners and the 'foreign' (Canadian) publishers that says the 'editors' of the Canadian edition may make no change in the content without the written consent of the American owners, nor may it use any material not approved by those owners. They are instructed to uphold morality and ethics as defined by the American owners. If they fail to meet these 'standards', their license to produce the magazine can be revoked by the owners.

This is what the minister said, but in reply the *Reader's Digest* under the signature of Mr. Zimmerman states:

Even with majority ownership in Canada, the act (Section 19(5)(a)(ii) (E) and (F) would preclude us from publishing the *Reader's Digest* in Canada, even though it is entirely edited here and had 30 per cent Canadian content (equivalent, incidentally, in major Canadian articles to the content of both *Chatelaine* and *Maclean's* today).

The reason is that, to protect (a) our international copyrights for the material we publish, (b) the trademark "*Reader's Digest*", and (c) the rights of our authors to prevent pirating and plagiarism of their work, we publish under the protection of an international licence that covers all our 28 international editions in 13 languages. This protection would be denied to *Reader's Digest* in Canada under subsection (E). Under subsection (F) we would be precluded from publishing our normal international content from other *Reader's Digest* editions and, further, each time other editions published Canadian material prepared by us, we would be further entangled in the substantially-the-same clause. As you will see from consideration of the entire Section 19, the problem is a difficult one. We must consider the implications for similarity not only with the American edition, but also with all other editions of the *Digest* which are similar in size and format the world over. This problem is not shared by any other publication. Indeed, the act was written to preclude precisely what you are proposing. Rescinding 19(2) does not alter this condition.

I will soon be finished quoting, Mr. Speaker. The minister in the final paragraph of his letter went on to say:

If the two magazines wish to continue in business in Canada, they will be entirely welcome to do so on the same footing as any other foreign magazines. Even if they decide not to continue in business, their U.S. editions may, and doubtless will, continue to enter this country with complete freedom and no content regulations as do a great number of magazines published in the United States and elsewhere.

Well, what do the owners of the *Digest* say about that. This is what they say:

If the Canadian editions of the *Digest* are forced to close, readers will still be able to obtain the U.S. edition freely. This statement omits a number of factors of overriding significance to Canadian readers. For example, our French-Canadian readers—we have some 1.3 million of them—will lose . . .

They do not say "may". They say "will lose".

. . . an edition published since 1947 in Montreal, printed in their own language, edited by French-Canadians.

This puts the minister on a spot because in a speech he made in this House on May 8 he stated:

. . . we do not want the continuance of a practice whereby the stories and articles reproduced in the French language Canadian edition of *Reader's Digest* are usually translated outside Canada.

Somewhere, sometime, I hope the minister will clear up this little bit of misunderstanding because here he states one thing while the owners of the *Digest* state something entirely different:

. . . will lose an edition published since 1947 in Montreal, printed in their own language, edited by French-Canadians. For them, a subscription to the U.S. English-language edition is no real alternative. Nor is a subscription to the *Digest* editions produced in France, Belgium or Switzerland—all are European in emphasis and naturally do not reflect Canadian concerns.

Similarly, English-Canadian readers will lose . . .

Here I again repeat that they do not say "may". They say "will lose".

. . . a 27-year old edition which is fully edited by Canadians, contains a substantial core of material written by Canadian authors on Canadian subjects, and offers a selection of international articles chosen specifically for their appeal to a Canadian audience. Our own reader surveys demonstrate clearly that Canadian readers would be gravely disappointed if the Canadian editions ceased publishing and would find the U.S. edition a less than satisfactory substitute.

Then there is a short note at the bottom which says:

In 1974, 24 per cent of the material in the Canadian *Digestor originated in Canada. Our target is to increase Canadian material to 30 per cent by 1976. This will mean that the number of major Canadian articles the Digest* carries will approach that carried by leading Canadian magazines.

Let us think for a moment, Mr. Speaker, of the market this provides for Canadian writers. It is entirely one thing to write an article and have it published in Canada in *Maclean's* or *Chatelaine* but certainly once an article is accepted by *Reader's Digest* this gives the writer of that article an eminence he would not otherwise obtain. This is a factor which should be taken into consideration when considering legislation.

The part of this legislation which causes me the most concern—and I am not speaking now as a politician but as a Canadian—is its totalitarian aspect. Over half a million copies of *Time* are circulated in Canada, a very large circulation by any standard for a country like ours. These copies are printed in this country, although the largest by far of the editorial content I must admit originates at the *Time* office in the United States and around the world.

Time provides a window on the world which no Canadian publication can duplicate, and which unfortunately no Canadian publication may ever emulate. Certainly they have not to date. We need *Time's* type of journalism at least as much if not more than the type of thing *Maclean's* offers us. I subscribe to Maclean's magazine, I expect out of sheer patriotism. Obviously they do not know I am a paying subscriber because they send me a free copy every month, which costs money. One might wonder about the efficiency of *Maclean's* and their manner of keeping control over their list of subscribers. Certainly they could cut down on expenses because if copies are sent to all members of the House of Commons although this might increase its circulation it certainly also increases the cost substantially.

A monthly comparison of the content between *Time* and *Maclean's*, I submit, leaves much to be desired in respect of *Maclean's*. All anyone need do is read *Time's* account, for example, of the United States government's recent problems in Vietnam or in respect of the Watergate scandal and compare the coverage of these two major events with the coverage given by *Maclean's*. It is so easy to understand why so many of us reach for *Maclean's* when we wish to be informed about what is going on in the world.

● (2130)

The government's position is that *Time*, in order to qualify as a Canadian publication, would need, I believe the minister said, to be 75 per cent Canadian owned. For *Time* this would obviously mean ceasing to exist in Canada. The government would be totally remaking the magazine so that it would be impossible for it to continue in the form which makes it acceptable to us. This is a type of government censorship, which, I believe, we should view very seriously. We are already exposed to many extremist voices in this country, and what the government is doing by this legislation is making us more susceptible to them.

Rather than giving the privilege of easy access to publications with a worldwide viewpoint, this legislation is simply opening the door for a narrower kind of idealogical Canadian journalism which is already too common in this country. I am not opposed to Canadian publications or Canadian journalism, but what I would like to see is some kind of publications offering something worthwhile to Canadians, publications that can stand on their own two feet rather than continually leaning on the government.

One fact that is frequently overlooked is that *Time* and *Reader's Digest* have not had special advantages. They have competed in the Canadian marketplace like any other publication. The way this issue has been presented by the government, many Canadian people believe that advertisers in *Time* and *Reader's Digest* have had tax advantages which advertisers in Canadian publications did not have and this is simply not the case.

What is happening under this legislation is that both *Time* and *Reader's Digest* are being placed in a position of tremendous competitive disadvantage in the hope, as expressed by the government, that advertisers will decide to take their advertising out of these publications and place it in fully Canadian owned publications. This is, of course, a doubtful assumption, but it is exactly what the government is planning Canadians will do. The minister has stated this in his speech. In his list of what he wanted to have done, he said:

> Second, we want the diversion of a proportion of the advertising revenue now earned by *Time* and *Reader's Digest* to Canadian-owned consumer magazines.

How can you legislate culture? I wish the minister would answer that question. Some time ago the Prime Minister (Mr. Trudeau) said that we should keep the government out of the bedrooms of this nation. I suggest that we should keep the minister out of the publication houses of this nation.

Mr. Faulkner: What about the bedrooms?

Mr. Crouse: I will leave him to decide that, Mr. Speaker. This type of manipulation of the press, I believe, we should view with the utmost seriousness. The free movement of the press should be one of our most cherished possessions and it should be jealously guarded and defended. Under this legislation Canadians in a very real sense are being deprived of the freedom of choice in a manner which is much more reminiscent to me of a totalitarian regime than of something that could happen in a truly open democracy.

[Mr. Crouse.]

Mr. Faulkner: This is not like me.

Mr. Crouse: The minister had not yet heard what I will say. I am only getting to the theme of this speech. The fact that the Canadian government would even entertain the thought of introducing this type of legislation is abhorrent, and it causes me a great deal of concern.

I cannot help but look for a deeper meaning behind this legislation aside from the reasons given by the Secretary of State. In fact it is this type of legislation that brings into question the government's entire external affairs policy. We seem to have set our ship of state on a direct course—whether or not the Liberals like this—of anti-Americanism, of which this legislation is only a very small part.

I say this for very serious reasons. I say this because of the views expressed by our Prime Minister when he gave a press conference in Moscow on May 20, 1971, when he stated:

> But from our own point of view, it is quite clear that we have a great deal to learn from the Soviet Union. It is one of the two super powers in the world today; one of the poles of influence, not only a military, but an economic, technological, cultural pole of great significance, and it is moreover, Canada's neighbour across the Arctic seas.

I suppose we do have a great deal to learn from the Soviet Union, but the strict controls and strong regulations laid down by Marxist Communism are not something that I wish to see imported into Canada.

Unless I have been misinformed, it is not possible under the Communist regime to travel freely, to criticize or publicly condemn the government, and freedom of speech as we know it simply does not exist. With all their weaknesses, the freedoms that I mentioned are the freedoms of democracy and we must be ever on guard if these freedoms which so many of us cherish are not to be taken away.

Later on in the same interview the Prime Minister, speaking about Canadian-U.S. relations, is reported as saying:

> Canada has increasingly found it important to diversify its channels of communication because of the overpowering presence of the United States of America, and that is reflected in a growing consciousness amongst Canadians of the danger to our national identity from a cultural, economic and perhaps even military point of view.

The question of the United States militarily dominating Canada is ridiculous in the extreme and one that, I submit as a Canadian, should never have been raised in Moscow. However, when I look at this legislation I cannot help but wonder whether the fine hand of the Prime Minister did not fashion this bill. In view of his belief that Canada has found it increasingly important to diversify its channels of communication, is the Prime Minister worried about the truth of the articles in *Time* and *Reader's Digest*? Is the Prime Minister worried about the cultural impact of *Time* and *Reader's Digest* on the people of Canada? Are he and his government worried about the truth? Are the lights now starting to go out in Canada? These are the questions Canadians are asking in their letters, and these are the questions which require an answer from this government.

Mr. Faulkner: Nonsense!

Mr. Crouse: Let the minister come to South Shore and tell my constituents that this is nonsense. Then he would get his answers from those people. This is not nonsense, this is truth, and the minister cannot face up to the truth.

These are the serious questions that I pose to the minister tonight. The likely outcome of what is proposed in this bill is that *Time* and *Reader's Digest* will, for all practical purposes, be legislated out of this country. By the use of economic levers Canadians will have been deprived of two means of freedom of choice in their reading material. In my opinion it will be most unfortunate and I agree with some of the Liberal members who have already spoken on this bill, Liberal members whom the minister would wish out of this House. Nevertheless, it is on this type of Liberal member that the future of Canada depends because they alone are the ones who can defeat the government, the worse one we have ever had. By the use of economic levers Canadians will have been deprived of these two periodicals which they thoroughly enjoy.

In my opinion it will be very unfortunate if the bill is approved by the House for, if it goes through the House, a further step will have been taken along the road of repressive action without in any way guaranteeing to Canadians a Canadian magazine industry with a strong economic viability. In my opinion the Canadian government's only concern should be that publications be willing to print and circulate their material from within Canada in order to enjoy the tax benefits under Canadian law. For all these reasons I hope the government will reconsider its actions, and I sincerely hope it will withdraw this bill.

● (2140)

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, perhaps by now I should be accustomed to the failure of the government to respond to the temper of the times with legislation which reflects the current mood of the Canadian people. But even recognizing the collectivity opposite as a government of missed opportunities, both for itself and for Canada, I still marvel at the inadequacy of Bill C-58.

Given the chance to expect support from those of us who stand for a strong and positive Canadian nationalism, the government comes forward with a bill which is haphazard and incomplete. Given the opportunity to introduce measures which would provide solid underpinnings for the Canadian periodical publishing industry, the government opts for gestures, the effects of which we cannot even be sure will not ultimately be detrimental to this area of Canadian publishing.

There is no doubt that the direction in which the government intends this proposed legislation to take us is the right one and, in so far as that intent can be realized through the measures set out in Bill C-58, I personally feel that the government is to be commended. But there is considerable doubt as to whether the measures in the bill would create the conditions in which a Canadian magazine industry could flourish. Indeed the bill raises questions, among other things, about its implications for one of the fundamental institutions of a free society, freedom of the press. Its inadequately articulated reference to substantially Canadian content raises questions about the economic viability of any new Canadian enterprise which tries to enter the publishing field, and it raises a number of other questions which I will deal with in a moment.

But first I should like to make it clear that my concern about this bill arises not only out of my support of a positive Canadian nationalism. It arises as well out of my profound feeling that we have an opportunity today to forge new legislative instruments which will be as potent in welding this country together today as the CPR and the CBC were in meeting the demands of our peculiar geography in their day. At different periods in our history, Conservative governments of the times, imbued with vision and foresight, created the CPR and the CBC—two vastly different institutions with strangely similar objectives—to unite the various regions of this country.

Today national unity is once again a major concern of the Canadian people, national unity in the cultural sense as well as in the political and economic fields. Such a time is not the moment for half way measures such as Bill C-58 represents. It is instead a time for positive measures which will merit strong support from those of us concerned with Canadian nationalism, rather than acquiescence to that which must be accepted simply because it is better than nothing.

The history of the Canadian magazine industry is indeed a sad one. Of the 542 consumer magazines in existence since 1920, less than 200 presently survive. Commissions created by both Liberal and Conservative governments over the past 15 years have well documented the inability, from a business point of view, of Canadian enterprises to compete with foreign periodicals dumped on to the Canadian market.

It is certainly not for want of trying. Canadians started 250 new magazines in the 1960's, and less than half of them survived. There is a dearth of management talent in the Canadian periodical industry, but this is certainly not the main cause of the problems of the industry. Young, interested, and talented managerial personnel cannot be attracted to an industry which is barely able to survive. The terms of competition must be changed to give potential publishers in Canada a fair chance of turning a profit while fulfilling the needs of the country.

I fully concur with my colleague, the hon. member for Fundy-Royal (Mr. Fairweather), that the government is without a publications policy.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): The hon. member has outlined much more far reaching proposals which cover distribution, postal rates, management training and a capital fund. I support my colleague's global plan for revitalising an essential industry which is the lifeblood of an independent and prosperous country.

Let us make no mistake about how vital the magazine industry is to our country. In a country as large as Canada newspapers can never be truly national in scope. Magazines can, and one needs only to look at other federal countries like Germany and Italy to see the vital role of national unification played by magazines.

I would like to return to the inadequacies of the policies of the government. The minister should not only assist the development of managerial talent in the publishing indus-

try, but the government should begin by correcting its own lack of appreciation of the problems faced by Canadian publishers as an industry and as a business.

The Secretary of State (Mr. Faulkner) has rightly used the word "dumping" to describe the distribution of the Canadian editions of *Time* and *Reader's Digest*. No more than 15 per cent of the articles in the French edition of *Reader's Digest* and 20 per cent in *Time* originates in Canada. Yet the government meets an industry-wide problem with one proposal only, namely, to put and end to one of the two special privileges allowed these foreign magazines. It is estimated that something over $3 million of advertising revenue presently going to these publications will be diverted to Canadian magazines. Yet I ask how about the second privilege *Time* and *Reader's Digest* receive, namely, millions of dollars in postal subsidies paid for by Canadian taxpayers? The minister has invited these magazines to send their American or international editions via the Canadian Post Office after December 31, 1975, at enormous expense to the Canadian public.

Last year the Canadian Post Office subsidized magazines and newspapers sent via the second class postal rate to the tune of over $50 million. The total circulation of U.S. magazines in Canada in 1974 was close to 200 million. The total circulation of *Time* was just over 29 million of that, and the whole Canadian magazine circulation was just a little more than the circulation of *Time*. It is a shocking fact, but American magazines must have received most of the $50 million postal subsidy paid for by Canadian taxpayers.

There are numerous Canadian magazines which do not receive the postal subsidies which go so generously to many foreign publications. In the legislation amending the rates in 1968, magazines published by Canadian associations lost their rights to second class postal rates. It was a drastic blow to many publications, as their postal rates at least tripled in price. For example, the United Church *Observer* was seriously affected. The Canadian Manufacturers Association was forced to suspend publication of *Industrial Canada*, and many others faced serious turmoil.

● (2150)

I do not want to go into the merits or demerits of postal subsidies to association publications, but I do believe that is an example of the government's fumbling and contradictory approach to our magazine industry, when it approaches it in such piecemeal fashion. Here we have Canadian magazines losing their subsidy and being forced to be mailed out at a cost at least three times that of foreign publications. These latter have the right to use up millions of dollars of the Canadian taxpayers' money. Does not the Post Office have enough problems without such lavish gifts of its money to foreign periodicals?

A clear case of the government's half measures and inability to view the magazine industry's problems in a global sense is evidenced by its concern which seems limited to periodicals which depend on advertising revenue. But many of the small circulation magazines in Canada depend on subscription fees and not on advertising revenue to cover their costs. It is they which are hardest hit by the government's willingness to give postal subsidies to foreign magazines merely printed in Canada.

[Miss MacDonald (Kingston and the Islands).]

The government will not be generating more revenues for them by this legislation, as it is for those dependent on advertising. I would say to the minister that unless the former system which gave small circulation magazines in Canada a preferential postal rate is re-established, as was suggested by the hon. member for Fundy-Royal, these small magazines will be left to face the same postal rates as those allowed to foreign periodicals.

A recent example of this is a foreign magazine which entered the Canadian market this year to compete with *Nature Canada*. This latter periodical is a delight to all who receive it. Its circulation, after three years of existence, is over 20,000. Last year it doubled its paid circulation. Many Canadian naturalists and photographers have finally found an outlet for their talents. Many Canadian subscribers are having the pleasure of learning about our wildlife and outdoor wonders from coast to coast through this delightful magazine. Now an American magazine has entered the market; its editorial control remains abroad, and its Canadian content is minimal. Neither magazine receives much advertising. This current legislation will not affect their situation in the slightest. Yet the American magazine is dumping its foreign material at a lower unit cost while it receives the same second class postal rate as does *Nature Canada*.

What makes the government's position even more ludicrous is that to amend the situation covering the millions of dollars going to subsidize foreign magazines mailed in Canada requires no act of parliament. The Post Office Act as amended in 1968 defines a Canadian periodical as one which is typeset in Canada; one which is printed in Canada; one which is edited in Canada; one that is not published in Canada under licence from someone who produces or publishes a periodical outside of Canada, and finally, one the contents of which are not substantially the same as some or all of the contents of one or more issues of a periodical which is not first edited, printed, and published in Canada.

These are some of the terms according to the act which a magazine must meet to obtain the second class postal subsidy, yet the government in its regulations only requires that a periodical qualify under one of these five criteria, namely, that it be printed in Canada. Material typeset abroad, edited abroad, first published abroad, can be dumped on the Canadian market at the Canadian taxpayers' expense. I would urge the government to direct its attention to the disadvantages incurred by Canadian publications because of inequitable postal rates.

Another of the factors that contributes to my concern about whether this bill is anything more than a relatively hollow gesture in the direction of a solid Canadian magazine publishing industry is the minister's description of a Canadian publication as one in which the content was "not substantially the same" as that of a foreign publication.

Where, Mr. Speaker, is a Canadian news magazine—particularly a new and financially uncertain Canadian news magazine—supposed to get foreign news content that is "not substantially the same" as that carried in foreign publications? Presumably, from a Canadian news service is the answer. On occasion that may be possible, but for the most part how realistic is that assumption?

After all it is well known that the major Canadian wire service, the Canadian Press, maintains few correspondents abroad, and relies largely on United States and British news services, such as the Associated Press and Reuters, for its foreign news coverage. Frequently, perhaps most often, this material is rewritten by CP's own staffers, but the perceptions on which their stories are based still are not those of Canadians. Is it realistic, then, to apply the "not substantially the same" test in these circumstances? Is it not likely that Canadian news magazines, forced by economic realities to rely on Canadian news services for foreign coverage, will simply be providing foreign images of the world, couched in the Canadian idiom to meet some unrealistic content ruling?

One might ask what is wrong with Canadian news magazines running foreign perceptions of world affairs rewritten by Canadians? After all, Canadian news services cannot afford to maintain more than a few Canadian correspondents abroad.

If I were asked that question, Mr. Speaker, I would have to admit, sadly, that it is true that we are not likely to find large numbers of Canadian correspondents abroad. It is true that we will likely have to rely heavily in future, as we have in the past, on the perceptions of non-Canadians for our views of world affairs. That being the case, why invoke a Canadian content ruling that can most aptly be described as a sham?

I am just about finished, Mr. Speaker, but I would reiterate that I have some grave reservations about the efficacy of the measures in Bill C-58 in fostering a viable and truly Canadian periodical industry. As I have said, the intent of the bill is one that I feel deserves the support of anyone interested in the concept of an independent Canada. I suppose in supporting it one would be saying that it is better than nothing. But is supporting something that is better than nothing good enough in times that call for strong affirmations of Canada's faith in itself?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EXTERNAL AFFAIRS—SUGGESTED CANADIAN EFFORT TO HAVE NORTH AND SOUTH KOREA RESOLVE DIFFERENCES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, probably in my lifetime here I shall never have an opportunity to make a more important speech than the one I propose to make now. It is also probable that I shall never be as pessimistic as I am about making this speech.

As a news man I followed events in Indochina from the days leading up to the fall of Dien Bien Phu years and years ago. I take no satisfaction in the rout of refugees along the trail out of Saigon any more than I took satisfaction a number of years ago in the bombing of Hanoi. I am really pessimistic about the situation, and regrettably I think that I share that pessimism with fellow members of parliament.

A year ago it was my privilege, occupying the position that Your Honour now occupies as a Deputy Speaker, to have been head of a parliamentary delegation to Seoul, South Korea. As a matter of fact we did not confine ourselves merely to that capital city. The delegation consisted of Mr. Harold Danforth of the Conservative party, the hon. member for Gaspé (Mr. Cyr) of the Liberal party, Mr. Gleave of the New Democratic Party, and Mr. Tetrault of the Creditistes. We were aided and abetted by Mr. Jacques Vermette, then of the Deputy Speaker's office. He is now with Mr. Ian Imrie's branch in the Confederation Building. So well did he look after our affairs that the only piece of luggage that was lost, strayed, or mislaid for a moment was his own. Our own got through nicely everywhere we went.

● (2200)

What we saw in South Korea was rather fantastic. For example, we saw a shipyard capable of producing ships much larger than anything than can be produced in any Canadian shipyard. It was situated alongside rice paddies that had been in existence for thousands and thousands of years. We saw a very old part of Asia, a very new part of Asia, and a very interesting part of Asia.

We were treated royally by our parliamentary hosts from South Korea. For example, we had 30 minutes with the president. We met with opposition parties. At that time, which was a year ago, we had opportunities to sit down and discuss democracy in South Korea, whether there should be opposition parties and the like. I think that situation has probably altered itself within the last few weeks, particularly since the fall of the government in South Viet Nam.

It is probably only known to very few people in Canada that the president of North Korea antedates all other rulers, with the exception of Generalissimo Franco of Spain, in his tenure of office. He goes right back to the forties. With his relatives on the payroll and with his egotistical style of living, the president of North Korea makes the old family compact of ancient days in Ontario look rather humble and small indeed. This has to be a megalomaniac. Everybody in this chamber is familiar with megalomaniacs in the Canadian political scene, I am sure. This fellow is ten times anything that has occurred or is occurring in Canada.

The government of North Korea is not recognized by any government in the free world, if I may use that expression, with the exception of Australia. In turn, none of the communist countries recognizes the government of South Korea. We are caught in this dilemma. The North Korean government and the South Korean government regard each other rather viciously. Indeed they do. The incidents between them are a recurring part of the political scene in that part of the world.

I see my time is running out. However, I have to make these points if my speech is going to make any sense at all.

The Canadian delegation went to the demilitarized zone. If I had time I could tell you of a third world war that almost broke out of there about a year ago. It was kept out

of the press. Thanks to the coolness of an American colonel, nothing really happened. However, there were many people in hospital. Soldiers from both sides flooded the demilitarized zone because of one particular incident.

I am afraid that the pressures of international communism or the pressures of the international cold war are going to turn themselves to Korea. Be that as it may, and without trying to relate blame in any way, shape or form, I simply suggest, as I did to the Secretary of State for External Affairs (Mr. MacEachen) the other day, that Canada try to play some role to get the two sides to sit down and talk over their differences. The only way I can see that this can be profitably and usefully done is to get them outside the Korean boot, the Korean peninsula.

There is no chance at all of resolving the differences of both North and South Korea if they are locked in some meeting in the demilitarized zone. It has to be tried in an international gathering. I know we do not recognize them and they do not recognize us. The Canadian position, as I understand it, is that Canada will not object to meeting with North Korea at some table at an international gathering. This being so we have a golden opportunity to take the initiative in trying to talk these two sides into resolving their differences.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the government shares the hon. member's concern over the recent rise in tension on the Korean peninsula. Indeed, it is the government's view that recent actions and pronouncements by North Korea, in particular a decidedly belligerent statement by North Korea's leader during a recent visit to Peking, represent a grave threat to the continued maintenance of international peace and security on the Korean peninsula. These developments are of course more alarming for having followed so closely the recent events in Viet Nam and Cambodia. In consequence, Canada has been discussing the Korean situation with like-minded friends. We appreciate, however, that there is very little Canada alone can do about the situation other than to continue to support efforts to achieve progress in the current dialogue between North and South Korea.

With respect to the hon. member's proposal that North and South Korea be brought together in an international forum, there already exists, in our view, no lack of forums in which the two sides can discuss their differences, including the North-South Co-ordinating Committee talks whose terms of reference provide for discussion of virtually all issues holding up unification between North and South Korea, the Red Cross talks aimed at re-uniting families separated by the division of the peninsula, the Military Armistice Commission talks to ensure the maintenance of the 1953 armistice agreement, and discussions of the Korean question at annual sessions of the United Nations General Assembly in New York. We recognize that there appears to have been little progress achieved to date in any of these four forums but some useful proposals have been tabled by both sides on outstanding questions separating them.

One major problem, however, is still North Korea's apparent unwillingness to accept that re-unification can take place only if each side is reassured about the peaceful intentions of the other, and only on terms which are acceptable to the peoples of both Koreas. Until an understanding on these issues is reached, we believe the process will be a slow one, and that talks between the two sides in any forum are likely to be inconclusive.

EXTERNAL AFFAIRS—GARRISON IRRIGATION PROJECT IN UNITED STATES—REQUEST FOR CANADIAN EFFORTS TO SECURE MORATORIUM ON CONSTRUCTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, this afternoon I rose to propose a motion under Standing Order 26 in order that there might be a full and open discussion of the Garrison diversion project. Although Mr. Speaker did not allow my motion he was very sympathetic and suggested I pursue it at another level. I am doing so this evening in the adjournment debate.

I am suggesting that the Canadian government contact the United States government and demand an immediate halt to the Garrison diversion project and stop turning Manitoba into a sewer or a toilet for this undertaking. I should like to point out that according to recent news reports, one dated May 17 of this year, the Ohio representative, Mr. Charles A. Vanik, stated that the Garrison project was environmental and economic madness. He added:

> The Bureau of Reclamation has tried to do everything in its power to push the Garrison project ahead. Nothing can hide the fact, however, that it is an environmental disaster.

● (2210)

He further stated that the United States House of Representatives should place a moratorium on the project, and I am asking the Canadian government to support this moratorium tonight. I hope the parliamentary secretary will give me an answer in this regard. We can no longer put this off and say there will have to be more studies and research, and then pass it on to the IJC. This is simply stalling. While that is being done, the bulldozers and construction equipment are at work daily in North Dakota completing the Garrison diversion project. I hope that the parliamentary secretary will give me some confirmation tonight that the government is going to take firm action to have this whole project stopped, since people in the United States are also asking that a moratorium be placed on the project.

Speldon Meyers, director of the Environmental Protection Agency federal activities, has stated in a letter that the study of a private group, the Institute of Ecology, had done a much better environmental assessment of the project than had the Bureau of Reclamation, and had "accurately pointed out many of the deficiencies". The Environmental Protection Agency agrees with this institute's concerns about the adverse effects of the project on Canada.

Richard Madson of the U.S. Audubon Society has stated that court action must be taken immediately if the project is to be stopped in time. During this interview on May 14, 1975, he further stated that the report of the International Joint Committee on the project would not be completed for a year's time, that the Lonetree reservoir would be completed and the project could not be stopped. Also, the

commission cannot order the project stopped, only a court order can do that.

It is my understanding, Mr. Speaker, that the state of Minnesota is taking court action against the state of North Dakota to stop this project. I understand the state of South Dakota is also entering into litigation with the state of North Dakota.

If the Lonetree reservoir is to be completed, then this will be the point of no return and the project cannot be stopped. Manitoba will be turned into a sewer. This is why the project must be stopped. Unfortunately the premier of Manitoba is taking no decisive action. He is being commended by the North Dakota legislature because he is going to take no action at all to have the project stopped.

I should like to point out that the Manitoba Environmental Council has stated that the United States Bureau of Reclamation is trying to bring work on the Garrison diversion irrigation project to the point at which the project would be unstoppable, regardless of its effect upon Canada. Ken Arenson, chairman of the environmental group, said Monday that the recent acquisition of land for the project's Lonetree reservoir is an indication that the bureau intends to complete the original project plan in spite of the fact that all available data indicates such a plan would pollute Canadian waters in violation of the boundary waters treaty between the two nations.

James Petrik, chief of the planning division of the Bismarck office of the Bureau of Reclamation in North Dakota, said the bureau was proceeding along guidelines set by the interior department. I hope the parliamentary secretary is getting the message tonight showing why we must call for a moratorium to stop this project.

The recommendations of Project "Garri", which was funded by the federal government to investigate this Garrison diversion project, included this recommendation among others that I have not the time to read tonight, that "all legal questions be answered before construction of the Garrison diversion unit continues". As I say, this project was funded by federal government moneys and we cannot ignore that. Another recommendation was that all bills concerning environmental protection should be given special consideration in all levels of government.

The Deputy Minister of Mines, Resources and Environmental Management for Manitoba stated that Manitoba would not have any say in the matter if this project were passed on to the IJC to make a decision. That is why we have to make a decision tomorrow to make a protest against this project. Manitoba will be eliminated completely from any decision at all if this is placed in the hands of the IJC. This is clearly stated by the minister who has made some suggestion that it has been passed on to the IJC.

In addition, the Garrison project may jeopardize the quality of the waters of Lake Winnipeg. A top United States scientist warned that Canadian limnologists must study the effects the Garrison diversion project will have on Lake Winnipeg before irrigation from the project begins. That scientist was Dr. Dale Henegar, chief of fisheries for the North Dakota State Game and Fish Department. He said in an interview that the possibility exists that the water quality of Lake Winnipeg will be dramatically changed and the lake might become a second Lake Erie.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member as his allotted time has now expired.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as the hon. member is aware, the effects on Canada of the proposed Garrison project in North Dakota have been under active study by officials of the federal and Manitoba governments for some time, and have also been the subject of a number of exchanges by the governments of Canada and the United States.

Since 1969, by means of a series of diplomatic notes and meetings, the Canadian government has sought information on this proposal by the United States Bureau of Reclamation to irrigate up to 250,000 acres of land in the Souris and Red River basins with water from the Missouri. These efforts culminated in October, 1973, with the presentation of a note to the United States State Department in which the government of Canada expressed the view that the project as proposed would violate the Boundary Waters Treaty of 1909.

In the note the Canadian government sought assurances that the United States would honour its obligations under the treaty to protect fully Canadian property and health from being adversely affected by transboundary pollution from the project. In February, 1974, the United States government gave assurances that the United States would honour its obligations under the treaty and pledged that no project construction potentially affecting waters flowing into Canada would be undertaken unless it were clear that these United States obligations under the treaty would be met.

Following on this exchange of notes, and a further exchange of technical studies undertaken by both sides on the potential effects on Canada of the Garrison project, Canadian and United States officials met in Ottawa on August 28, 1974, and again in Washington, D.C., on January 16, 1975, to discuss this subject. The Canadian position at these meetings was that the Garrison diversion unit, as currently envisaged, would have adverse effects on the Souris, Assiniboine and Red Rivers, and ultimately Lake Winnipeg, which would cause injury to health and property in Canada. The United States officials reiterated the assurances set forth in the United States' note of February 6, 1974.

Hon. members will recall that in the January, 1975, Canada-United States meeting in Washington Canada put forward the informal suggestion, on an *ad referendum* basis, that the issue be referred to the International Joint Commission for study and recommendations. Following further exploratory talks with the United States, and with the full concurrence of the Manitoba government, we are now discussing with the United States the possibility of a joint reference to the commission under Article IX of the Boundary Waters Treaty on the basis of a Canadian draft. If this proposal is to be pursued with the commission, it will have to be on the basis of language acceptable to both countries which, on the Canadian side, clearly recognizes that significant modifications are required to the project as now conceived. Any final decision by Canada on the

question of an IJC reference will depend on a satisfactory outcome to our current discussions with the United States on the proposed text.

Mr. McKenzie: While you are talking the bulldozers are still working.

Mr. Breau: I can't do anything to stop them in the United States.

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

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

HOUSE OF COMMONS

Wednesday, May 21, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

SUGGESTED INTERVENTION BY MINISTER TO SETTLE STRIKE OF EMPLOYEES IN PARIS—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity concerning Air Canada. Since this is the 29th day with no service from our national airline between Montreal and Paris, two of the most important cities in the world, because of the continuing strike in Paris of Air Canada's employees there, and since very soon, I believe this Sunday, Air Canada's Econair charter 747 service is supposed to leave Montreal for Paris, which will be highly unlikely under present circumstances, and since the passengers on this charter, because of special arrangements, will have great difficulty in having their fares refunded in full, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the Minister of Transport intervene directly to expedite an immediate satisfactory settlement thereby permitting this important air service to be resumed and creating more satisfactory labour-management relations in Air Canada, something which as the minister knows is sadly lacking at the present time.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

PROPOSED UNILATERAL DECLARATION OF 200 MILE ZONE FOR RESOURCE MANAGEMENT—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity under Standing Order 43. In view of the fact that Canada is about to embark on negotiations at ICNAF to reduce foreign fishing pressure off the east coast, and in view of the fact that the draft treaty developed at the Law of the Sea Conference provides for a 200-mile zone and United States legislation will shortly pass having a similar effect, and in view of the depressed state of Canada's fishing industry, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House now go on record as favouring an immediate unilateral declaration confirming Canada's right to a 200-mile economic zone or to the continental shelf, whichever is the greater.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 this motion cannot be proceeded with without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED INCREASE OF FUNDS—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

In view of the great number of students who will be unemployed this coming summer, and that the Opportunities for Youth Program has been drastically curtailed this year, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House consider immediately the problem affecting students and due to a lack of vision on the part of this government which did not see fit to provide for a larger budget which would be more in keeping with the needs of young people who ask for nothing more than to work and make themselves useful, while earning an income, a possibility through the Opportunities for Youth Programs which is offered to them. That the House should also consider the advisability of maintaining through additional grant projects apt to meet permanent social needs submitted within the framework of this program.

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

LIP Projects

[*English*]

EXTERNAL AFFAIRS

SUGGESTED EXAMINATION BY AUDITOR GENERAL OF DOCUMENTS RELATING TO LOAN TO CUBA—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the apparent discrepancy between the recollections of the President of CIDA and the draft of the minutes of the President's Committee meeting of December 2 to 5, 1974, in respect of the total package of CIDA loans and grants to Cuba, I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the Auditor General be instructed to examine the pertinent witnesses and documents and report the facts as determined by him to the House of Commons at the earliest opportunity.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED INCREASE IN FUNDS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I seek the unanimous consent of the House to move a motion on an important and urgent matter.

In view of the fact that although spring is here, unemployment is still rising and that the Canadian Parliament has the duty to foster the implementation of employment generating programs, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House asks the Treasury Board to make additional funds of several million dollars available to the Department of Manpower and Immigration, so that the minister be allowed to authorize the extension of LIP projects and also finance others that are submitted.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

HEALTH

GOVERNMENT ACTION TO ASSURE MEAT SOLD IN QUEBEC IS FIT FOR HUMAN CONSUMPTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the Food and Drugs Act makes it unlawful for any person to sell an article of food that is unfit for human consumption, I should like to ask the minister whether he has satisfied himself that the meat which has been sold in the province of Quebec has been subjected to adequate inspection by some authority either provincial or federal to ensure that it has been fit for human consumption.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like, first of all, to note that, to our knowledge at the present time, there has been no case in which meat from federally inspected plants has been found unfit for human consumption. All the cases up to this time that have been found have been related to plants inspected under provincial authority.

So far as the application of the Food and Drugs Act is concerned, our intention is to let the present inquiry proceed before the commission on organized crime in Quebec so that we may have advice concerning the necessary steps to be taken with regard to prosecution under the Food and Drugs Act. I should like to assure the House and the Leader of the Opposition that all the necessary prosecutions will be instituted as soon as the evidence has become available. To institute proceedings at this particular time might impair the inquiry that is proceeding at the present time.

Mr. Stanfield: I have a supplementary question, Mr. Speaker. I am not asking the minister about the institution of proceedings. I am asking him whether he has done anything to discharge his responsibility to see that meat being sold in the province of Quebec, whether provincially or federally, is fit for human consumption. I am sure the minister will agree with me that he does not answer that question when he says that all federally inspected meat so far has been found to be fit for human consumption. What has he done to discharge his responsibility under that section of the Food and Drugs Act?

Mr. Lalonde: The Leader of the Opposition will be happy to note that the present inquiry has been initiated following the investigations made by inspectors from my department.

Mr. Stanfield: Mr. Speaker, perhaps the Minister of National Health and Welfare would like to know I would be very much happier if he could tell me what, if anything, he has done to ensure that meat has been inspected and, perhaps more specifically, whether he has any brief comment to make on the fact that it is alleged that some 380 packing or slaughterhouses in the province of Quebec have not been subjected to any inspection at all. What has he to say about that?

Mr. Lalonde: Mr. Speaker, I can speak only for the plants being inspected under federal jurisdiction; all meat processed in those plants under federal jurisdiction has been properly inspected by federal officials. I am afraid that is the only answer I can give the Leader of the Opposition.

Mr. Speaker: One final supplementary by the Leader of the Opposition.

Mr. Stanfield: Is the minister suggesting that section 4 of the Food and Drugs Act which prohibits the sale of meat unfit for human consumption and section 22 which authorizes inspection by the minister's officials of any abattoir or any place where food is stored, are *ultra vires?*

Mr. Lalonde: The Leader of the Opposition is obviously asking me for a legal opinion.

Some hon. Members: Oh, oh!

REASON FOR FAILURE TO PROSECUTE QUEBEC MERCHANTS SELLING MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of what the minister said, and in view of the fact that federal inspectors have discovered that a second packing house is involved in the Quebec tainted meat scandal besides Federal Packing Incorporated of Magog, Quebec, can the minister say why no charges have been laid despite the fact that 700 pounds of tainted meat have been seized from this plant by inspectors?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): For a very simple reason, Mr. Speaker: a full investigation must have been carried out before legal proceedings can be instituted under the Criminal Code or the Food Act.

[*English*]

PROPOSED COMPULSORY FEDERAL INSPECTION OF MEAT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my supplementary question is for the Prime Minister. In view of the fact that evidently there is no compulsory provincial meat inspection carried out by the province of Quebec and that as of 1973, 380 abattoirs in that province had no government inspection of any kind, thus exposing the public to the ravages of disease and infection from consumption of diseased and tainted meat, will the Prime Minister now give serious consideration and undertake the necessary steps to make meat inspection compulsory throughout Canada and under the direct supervision of the health of animals branch of the Department of Agriculture? As a former employee, I have the highest regard for them and am sure they will do the job correctly without any problems whatsoever.

Right Hon. P. E. Trudeau (Prime Minister): I will take that as a representation and will look at it.

Oral Questions

INDIAN AFFAIRS

SUGGESTED WITHDRAWAL OF CIRCULARS CONTAINING GUIDELINES FOR LOCAL GOVERNMENT UNTIL NATIVE LEADERS CONSULTED

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development concerning the recently implemented policy guideline circulars in Saskatchewan. In view of the fact that the concept of these circulars has been rejected by all elected Indian leaders, and in view of the fact that these circulars are in effect continuing the policy outlined in the 1969 white paper which was rejected by the government, is the minister prepared to rescind the use of these circulars until there has been some meaningful consultation and involvement with Indian leaders?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated yesterday in reply to another hon. member, there has been consultation on this matter. We feel that the guidelines respond in many ways to the requests of the native people who said they wanted to know what the rules were under which they have to deal with the program funding coming from this department. This is a specific request that has come to us from many bands, not provincial associations but bands across the country, and one to which we have endeavoured to respond. I have indicated that the guidelines have been regarded as being of an interim nature, and we will be prepared to re-examine them before the end of this fiscal year.

Mr. Firth: Mr. Speaker, the minister said last year that he would only deal with elected representatives of the Indian people. Why is he now creating another bureaucratic level of the district and local governments which will compete with the elected Indian leaders?

Mr. Buchanan: I am sorry, Mr. Speaker, but I do not understand the intent of that statement. This is to be dealt with by the chiefs and the bands; and they are the ones who have the responsibility.

REFUSAL OF SASKATCHEWAN CHIEFS TO WORK WITH REGIONAL DIRECTOR JIM WRIGHT—REQUEST FOR REPLACEMENT

Mr. Wally Firth (Northwest Territories): In view of the fact that 69 out of 69 Indian chiefs in Saskatchewan have indicated they are unwilling to work with the department's acting regional director, Jim Wright, would the minister consider replacing him with some one more acceptable to the Indian leaders in Saskatchewan?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, Mr. Wright, as was indicated by the hon. member, is on an acting basis. We made it clear that when a permanent appointment is made, which we expect to be this summer, the Indian people will sit on the selection board, as is the normal practice.

● (1420)

[*Translation*]

HEALTH

SUGGESTED UNIFORMITY OF MEAT INSPECTION STAMPS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask the Minister of National Health and Welfare a question which is complementary to those asked by the Leader of the Opposition.

Has the minister had any meeting with his provincial counterparts or does he intend to have any in order to assure that the standards indicated by the stamps "Canada approved" or "Quebec approved" or "Ontario approved" be the same as regards the quality of meat sold for human consumption?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, standards and norms have been well recognized as far as Canada is concerned. As for the stamps affixed by the provinces, they are supposed to conform roughly to Canadian standards. The problem presently occurring in Quebec seems obviously related to the enforcement of the provincial regulations which does not seem to have been adequate.

Mr. Beaudoin: Mr. Speaker, I would like to ask a supplementary question. The minister just said that these standards are similar. Could he advise the House whether he will advocate, with his provincial counterparts, the same standards relating to the hygiene of slaughterhouses, to the transportation of livestock to slaughterhouses, in order that the standards be the same for federal and provincial governments?

Mr. Lalonde: Mr. Speaker, unfortunately, I am not ready to give the hon. member that assurance as regards the details of the regulations in the various provinces, which are different from the regulations enforced at the federal level. But nevertheless I want to point out to him that the present problem is not related to the regulations per se but to their enforcement which does not seem to have been adequate. As for the basic problem raised by the hon. member, it is of public interest and I will examine it more thoroughly.

[*English*]

REASON FOR FAILURE TO PROSECUTE QUEBEC MERCHANTS SELLING MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary for the minister. In his reply to the Leader of the Opposition the minister stated that the inquiry which has been launched by the government of Quebec was as a result of inspection carried out by his department under the Food and Drugs Act. If that is the case, perhaps the minister will explain to the House why he did not discharge his responsibility under the act and lay prosecutions under section 4 of the act.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): As usual, the hon. member is apparently giving my reply a somewhat larger interpretation than what I actually said. I said that the investigation had been initiated following inquiries made by my departmental inspectors. From the very beginning of the investigation, however, it was ascertained that this was the sort of work which could be more properly carried out by police forces than by departmental officials, so that, right from the start, the proper police forces were invited to take charge of and carry out the investigation; and now their findings are about to be made public. The necessary legal proceedings will be instituted after all the necessary evidence has been gathered by this investigation.

[*English*]

REASON DISEASED MEAT SOLD IN QUEBEC IN LIGHT OF INCREASED NUMBER OF INSPECTORS

Mr. James A. McGrath (St. John's East): In June of last year the Food Prices Review Board recommended additional inspection of meat in Canada to ensure that diseased and inferior meat is not being sold to the public, and again on October 25 of last year the minister in a statement in the House said that 30 additional technical and professional staff in the field will work exclusively on meat sampling across the country. If that has been done—and I assume these inspectors are still active—would the minister explain to the House how it is that 700,000 pounds of diseased meat can be sold to the public in the province of Quebec?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, obviously the excellent work that is being done by the inspectors has unveiled some quite inappropriate practices which come, I repeat, under the jurisdiction of the province concerned.

[*English*]

Mr. McGrath: That is no consolation to the people who ate that meat.

GOVERNMENT INTENTIONS WITH REGARD TO SETTING BACTERIA LEVELS IN MEAT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary is for the Minister of National Health and Welfare as well. In view of the fact that there have been some discussions with the provinces concerning the setting up of national standards for acceptable bacterial levels in meat, can the minister indicate whether it is still the intention of the federal government to set national standards for acceptable levels of bacteria in meat or whether the federal government is backing away from this concept?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the answer to the last part of the question is no.

[*English*]

Mr. Yewchuk: Mr. Speaker, I am sorry but my question was not one that could be answered yes or no. I asked the minister whether the government was backing away from

the concept of setting up national levels. I should like him to answer that question. Secondly, I wonder whether—

Mr. Speaker: Order, please. The hon. member for Frontenac-Lennox and Addington.

[*Translation*]

Mr. Lalonde: The answer is no, Mr. Speaker.

* * *

[*English*]

ENERGY

SARNIA—MONTREAL PIPELINE—REQUEST FOR ASSURANCE OF FAIR TREATMENT FOR PERSON WHOSE LAND PURCHASED FOR RIGHT-OF-WAY

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question arises from complaints I have received from land owners along the right of way of the proposed Sarnia-Montreal pipeline regarding the arrogant and deceitful treatment and attitudes of the agents purchasing the right-of-way. My question will have to be directed to the Prime Minister because of the temporary absence of the Minister of Energy, Mines and Resources. May I ask the right hon. gentleman, now that cabinet has approved the building of the Sarnia-Montreal pipeline, will it also assure the landowners, residents and farmers whose land the pipeline traverses that fair and honest treatment will be given them by the agencies purchasing the right-of-way for the project?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I understand that there is adequate provision in the report of the National Energy Board to cover that situation.

* * *

EXTERNAL AFFAIRS

ALLEGATION CIA AGENT EMILIO GARZA INFILTRATED COADY INSTITUTE AND CIDA—REQUEST FOR INVESTIGATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, a question for the Secretary of State for External Affairs. Has the minister caused an investigation to be launched into allegations on the CTV news last evening that one Emilio Garza, a CIA agent, had infiltrated the Coady Institute at the minister's own university, thereby seriously compromising Canada's international aid posture? Will the minister inquire whether CIDA checked Mr. Garza's background before he was allowed to proceed to the Coady Institute?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I have made inquiries, Mr. Speaker, but I have not received all the information I need in order to answer the question fully. The person in question was an instructor at the Coady Institute, employed by the institute itself as I understand it, and was also for a short period a member of a consulting team that went to Peru to examine the fisheries situation there. That CIDA contract lasted for 16 days I think and this person's attachment to CIDA was solely of that duration. With respect to the other part of the question, I have not yet received the information but I am seeking it.

POSSIBILITY OF A TREATY PROHIBITING OPERATION OF FOREIGN AGENTS IN CANADA WITHOUT PERMISSION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, perhaps I would be allowed a supplementary question—final or whatever other adjective is used. Final sounds so final. Has Canada a treaty with other countries, including the United States, prohibiting such activity without specific permission of the host country, and if we have a treaty was permission requested from the government of Canada?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, these are the points I am inquiring about. Obviously, there is an understanding, as I think I have stated earlier in the House with the authorities of the United States, that no such activities should take place in Canada without the express knowledge and permission of the Canadian government.

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta.

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

Mr. Speaker: Does the hon. member for Athabasca seek to raise the question of privilege now?

Mr. Yewchuk: Mr. Speaker, I can raise it now or whenever you like. I can do it now or at three o'clock, but I want to point out that at three o'clock the minister concerned may be gone.

Mr. Speaker: The hon. member was seeking to ask a question of the minister. He asked whether the government had backed away from some sort of agreement with the provinces. The minister answered with a negative and the hon. member then said that the question could not be answered with a yes or no. It obviously could have been and was. Under the circumstances, I thought I had to go on to someone else. If the hon. member has further comments I think he should make them at three o'clock.

ALLEGATION MR. VIRGINIA GONZALES OPERATED AS CIA AGENT IN CANADA—REQUEST THAT HE TESTIFY BEFORE COMMITTEE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Secretary of State for External Affairs. It relates to a sworn affidavit by a Mr. Virginia Gonzales who states that he was a CIA agent and operated quite freely in Canada and that he had something to do with harassing a Mr. John Meyers of Vancouver. As this is contained in a sworn affidavit and as the Solicitor General stated to me in a letter that the government has no record of the man operating in Canada, will the minister be prepared to grant Gonzales immunity from prosecution in order that he can come to Canada and testify before a Commons committee, then perhaps we could find out how many CIA agents are operating in Canada?

● (1430)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the answer is no.

Mr. Reynolds: A supplementary question, Mr. Speaker. Is the Secretary of State for External Affairs aware of this affidavit signed by Mr. Gonzales? If so, has the government protested to the United States the fact that Mr. Gonzales, according to a letter sent to me by the Solicitor General, is operating in Canada and wiretapping Canadian telephones without RCMP permission?

Mr. MacEachen: Mr. Speaker, I am not up to date on this case. I will check with my colleague, the Solicitor General about it and, if required, give my hon. friend further information.

* * *

LABOUR CONDITIONS

STRIKE AT PRATT AND WHITNEY, MONTREAL—SUGGESTED NATIONALIZATION OF COMPANY IF SETTLEMENT PROPOSALS REFUSED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Prime Minister. In view of proposals made to the Quebec government for settling the Pratt and Whitney strike, which includes the provision that 1,000 of the striking workers should be rehired and the acceptance of those proposals by the Quebec government, will the federal government consider the possibility, if the company refuses to accept those proposals, of nationalizing the plant or turning over the work to another Canadian aircraft company?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question, in this form, is plainly hypothetical and relates to a matter under provincial jurisdiction.

Mr. Orlikow: A supplementary question, Mr. Speaker. As the strike has now gone on for so long and created so many problems, and as the company has refused to follow the practice of virtually every other company in Canada in dealing with its employees in accordance with the Rand formula for union security, I suggest that it is not at all unlikely that this company will do just what I suggested. I ask the Prime Minister, as I asked him several months ago when I got an affirmative reply, if the government would at least consider the possibility of nationalizing that company?

Mr. Trudeau: Mr. Speaker, if you look at the question, you will see that the hon. member says, if the company does not do certain things, will the federal government do certain other things? This is plainly hypothetical.

[Mr. Reynolds.]

HEALTH

POSSIBILITY OF CHANGE IN MEAT INSPECTION REGULATIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am returning to the Minister of National Health and Welfare. I have been a great admirer of his knowledge of dietetics ever since he advised the House last fall that hamburger filled with manure is not detrimental to health, so long as it is properly cooked. That scared people all over the country. I wonder what change in the regulations has been made, because while manges de la merde—

Some hon. Members: Oh, oh!

An hon. Member: Shame!

Mr. Diefenbaker: Mr. Speaker, I see nothing shameful in quoting the Prime Minister.

Mr. Trudeau: Mr. Speaker, I was misquoted.

Mr. Diefenbaker: I was wondering whether there had been any change in the regulations, because the minister suggested that anybody who "manges la merde" has nothing to worry about, provided it is properly cooked. Has there been any change in the regulations since that tremendous announcement by the minister?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): No, Mr. Speaker.

* * *

[*English*]

EXTERNAL AFFAIRS

SUGGESTION EQUIPMENT OF NATO UNIT BE MODERNIZED—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Keep it clean, George. Let's not have any dirty questions.

Mr. Hees: Mr. Speaker, my question is for the Prime Minister. Between his search for consensus and a contractual link and when he goes to Europe to attend the NATO conference next week, does the Prime Minister intend to visit our forces at Lahr and inspect first-hand the obsolete equipment with which our greatly reduced force is compelled to try to carry out its contractual obligations under the NATO Alliance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, may I inform the hon. member that I have visited Lahr several times, which is probably more than he can say.

Mr. Hees: Mr. Speaker, I have been to Lahr four times.

Mr. Baldwin: And he does not have available the Jetstar, either.

Mr. Hees: And I went there on government business to inspect the forces as the opposition critic.

Some hon. Members: Oh, oh!

Mr. Hees: Quiet, you rabble.

My supplementary question is this, Mr. Speaker. As Canada is openly and strongly criticized by our NATO allies for trying to "do NATO on the cheap" and sending a man into battle—

Mr. Trudeau: What battle?

Mr. Hees: —in one of our obsolete tanks against the vastly superior equipment which the other side possesses, and as this comes pretty close to a sentence of death, I ask the Prime Minister if he intends, when he meets with his colleagues at the NATO conference, to advise them that at long last Canada intends to bring our equipment up to NATO standard?

Mr. Trudeau: Mr. Speaker, I do take note of the very serious question and I take it as a representation that the government should increase considerably its defence expenditure. I will bring that to the cabinet's attention, as a recommendation from the opposition side.

Mr. Hees: Mr. Speaker, I am asking the government to carry out its responsibilities, responsibilities on which it started cutting back seven years ago when the Prime Minister took over.

Mr. Trudeau: Mr. Speaker, that is my point. We did try to show some restraint in the size—

Some hon. Members: Oh, oh!

Mr. Hees: What about your office? What about the tremendous expansion of expenditure in every other line of government business? The government's motto is: to hell with the armed forces, spend on everything else.

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FISHERIES

SHIPBUILDING SUBSIDIES—DATE OF DECISION ON POSSIBLE EXTENSION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I direct my question to the Minister of State who is responsible for fisheries, of which I gave him notice. In view of the imminent closure of a number of wooden shipbuilding yards in Nova Scotia, especially along the south shore, has the minister and the government reached a decision on the question of providing immediate financial assistance to the industry in the form of shipbuilding subsidies, in order to provide employment for the shipbuilders and replace draggers and longliners for the fishermen?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I recognize that I had indicated to the hon. member that an answer would be forthcoming by the middle of May. Criteria were suggested to me last week; I did not feel they were responsive enough to meet local needs. I asked that they be looked at again. I am attending a meeting this afternoon and I hope to be in a position to have more to say about the matter this week.

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CONSUMER AFFAIRS

AVAILABILITY OF MASON JAR LIDS IN BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It follows the question I asked a few weeks ago. I realize the minister did not intend to mislead the House when answering. I feel that he was uninformed at the time. It also follows after a survey of groceries and supermarkets in the north Okanagan, undertaken last Friday, which indicated that no widemouth Mason jar lids are available there. Has the minister received any indication from his observers in B.C. or elsewhere as to when these important supplies can be expected.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have already replied in writing to the hon. member on this. I may remind him that one of the first reasons for such a shortage was a strike in a company manufacturing such products in British Columbia. I have therefore written to my provincial counterpart, the Minister of Consumer Affairs in that province, in order to draw her attention to this matter. I have also written to the Minister of Labour of British Columbia in order to ask him to hasten the settlement of the dispute.

* * *

[*English*]

ENERGY

PROPOSED EXPANSION OF ELDORADO NUCLEAR PLANT AT PORT HOPE—REQUEST FOR OUTLINE OF DETAILS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. Is the Prime Minister in a position to give the details today of previously announced expansion plans for the Eldorado nuclear plant in Port Hope? If not, as I understand he is to visit Port Hope on Friday, will he consider the matter then?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the last details on this matter. I will take note of the question.

* * *

SPORTS

HOCKEY—DIFFICULTY OF AMATEUR ASSOCIATION IN COLLECTING DUES FROM PROFESSIONAL TEAMS—GOVERNMENT ACTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Minister of National Health and Welfare. It is a well known fact that the minister has shown great interest—

Mr. Guay (St. Boniface): Question.

Mr. Jelinek: You would not understand it if you heard it. Why do you not listen? It is a well known fact that the minister has shown great interest in catering to professional athletes in the past. Keeping that in mind, can the minister advise this House what steps, if any, he intends to take with regard to the Canadian Amateur Hockey Association problems in collecting their dues from professional teams for their right to draft amateur players? Also, does the minister intend as well to take steps to bring both the NHL and the World Hockey Association to the bargaining table for the purpose of negotiating a new Pro-Am agreement?

● (1440)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I believe the Canadian Amateur Hockey Association has already instituted proceedings in order that its rights, under a former contract, be respected.

With regard to the signing of a new agreement, I have already met the leagues concerned once, and the interested parties gave me their verbal assurance that a contract would be signed. Now, it is particularly difficult to take part in negotiations when one is dealing with individuals who do not seem to live up to their word. I shall see what can be done. I have received a letter from the Canadian Amateur Hockey Association and will see if there is a possibility of resuming negotiations. But, once again, I must point out to the hon. member that, when one cannot rely on the promises made, it is quite difficult to conclude agreements.

* * *

[*English*]

INDIAN AFFAIRS

LOCAL GOVERNMENT GUIDELINES—REQUEST FOR CONSULTATIONS WITH NATIVE PEOPLE AND CHIEFS IN NOVA SCOTIA

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. I would like to get back to the question of circulars, directives, guidelines and so on which will affect our native people. In light of the fact the minister said extensive consultation has taken place with our native people and the president of the Union of Nova Scotia Indians, Mr. Alexander Denny, speaking on behalf of the band councils, native people and chiefs in the province of Nova Scotia stated that no consultation has taken place, will the minister be good enough to arrange this consultation to which he refers as soon as possible?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, we feel that consultation has in fact taken place. As I indicated earlier, we are prepared to regard the guidelines currently in force as being interim in nature. With regard to the ones that have not yet been proclaimed, we have set a time frame for input by the native people. The government discussed the guidelines with the National Brotherhood over a period of 18 months. As well there were two national conferences for the Indians which were sponsored by the Department of Indian Affairs. There has, in fact, been consultation.

Mr. Muir: Mr. Speaker, the native people of Nova Scotia have always been most co-operative in dealing with the minister and his department. In light of the fact they feel the minister has quite a bit of merit in his guidelines and so on, will he arrange as soon as possible to have senior people from his department meet with the president and the band chiefs of that province?

Mr. Buchanan: Mr. Speaker, I will be happy to do that.

* * *

EXTERNAL AFFAIRS

EXPORT OF CANDU REACTORS AND NUCLEAR MATERIAL—SUGGESTION SALE BE CONDITIONAL ON SIGNING SAFEGUARD AGREEMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs. It is with regard to the report that some 20,000 tons of uranium oxide is to be exported to such countries as Italy, Britain, Spain, West Germany and Finland, subject to their signing a bilateral nuclear safeguard arrangement. I want to inquire of the minister whether any of those countries have yet signed this agreement. Also, would the minister be prepared to table a copy of that agreement so that members may have an opportunity to examine the nature of the safeguards which are being imposed?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, to my recollection, no such agreement has been signed. However, I will check into the matter. I will also consider the possibility of tabling such agreements.

Mr. Douglas (Nanaimo-Cowichan-The Islands): On December 20 last, the Minister of Energy, Mines and Resources said that negotiations were going on for the export of CANDU reactors to Argentina, Iran, South Korea, Denmark, Rumania, Great Britain and Italy. Will the export of any of these CANDU reactors be contingent on signing this new bilateral safeguard agreement?

Mr. MacEachen: Mr. Speaker, the sale of any of these particular reactors will be dependent upon the negotiations and acceptance of satisfactory bilateral safeguards. These safeguard provisions will be put together in the form of bilateral agreements.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact the Minister of Energy, Mines and Resources told the Standing Committee on National Resources and Public Works that from now on, all uranium, atomic technology and nuclear reactors would require the signing of the nuclear agreement to which I have referred, I wish to ask the minister if that is the situation and there will be no exports of uranium oxide, CANDU reactors or atomic technology unless the country concerned has signed the agreement which the minister's

department is now drafting? Is that clear? Are there to be any loopholes? If there are to be any loopholes, what are they?

Mr. MacEachen: Mr. Speaker, I do not think there will be any loopholes. The safeguards that were announced by my colleague in December will be implemented with respect to all these bilateral arrangements with other countries. The only point that I would like to check further is the form of these agreements. My understanding is that agreements will be required in each particular case.

* * *

SPORTS

REQUEST FOR FINANCIAL ASSISTANCE TO ATHLETES PREPARING FOR OLYMPIC GAMES

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is he indicating a personal interest and is his department working on investigating on behalf of our athletes who might participate in the olympics? These athletes may find themselves deferring education. The athletes may have financial and personal difficulties. Can they count on this government to give them special assistance as they prepare and work for the olympics and will this be followed up after the olympics?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, following a meeting with a certain number of athletes, I asked my department to make a careful investigation of all individual cases. That investigation is practically concluded. I am meeting with my officials this very afternoon on this subject and expect certain recommendations to be put to me. I hope I will be able to come to the help of those who are really in need.

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[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR OFFICES AT CHAPAIS AND CHIBOUGAMAU

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I would like to put a question to the hon. Minister of Manpower and Immigration.

In view of the fact that the population of Chibougamau-Chapais, now numbering 21,000 people, must travel over 200 miles in order to get to the nearest unemployment insurance office, in Alma, could the Minister tell us if steps will soon be taken for the establishment of a local office or of an information centre either in Chapais or in Chibougamau?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will note the hon. member's concern and look into the matter to see what can be done.

CANADIAN BROADCASTING CORPORATION

REASON FOR RESHOWING OF PROGRAM, "ENCOUNTER WITH CANCER"

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Secretary of State. In the minister's capacity as being responsible for the CBC, did he communicate to the proper executives of the CBC the concern of the Minister of National Health and Welfare, the Canadian Medical Association and the National Cancer Institute about the re-showing of the program which indicated that the drug laetrile may be a helpful cure for cancer?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, as I indicated before, representations that I received from a variety of sources about that particular program were transmitted to the corporation. I also believe it is correct to say that the Minister of National Health and Welfare spoke directly to the president of the corporation.

Mr. Gillies: Can the Secretary of State advise the House the possible reason the executive of the CBC gave for showing the program in spite of all the indications from authorities that this program could do immense damage to people who may be suffering from cancer?

Mr. Faulkner: Mr. Speaker, It is not a new doctrine that the corporation is entirely responsible for decisions of programming. That is a principle that has been respected on both sides of the House ever since the corporation was set up. On its behalf, I should like to table a statement covering the reasons for showing the program the second time.

* * *

● (1450)

AGRICULTURE

HOGS—REQUEST FOR CONSULTATION WITH PRODUCERS ON IMPORTS AND DIFFICULTY IN OBTAINING EXPORT PERMITS

Mr. Jake Epp (Provencher): Mr. Speaker, I direct my question to the Minister of Agriculture. In view of the fact that the provincial hog marketing agencies of the three prairie provinces have asked the minister, through telegrams, letters and phone calls for some time now, for a rehearing at which they would like to discuss the importation of hogs into Canada, as well as the difficulty that they are experiencing in obtaining export permits from the Department of Industry, Trade and Commerce, would the minister indicate whether he is planning to meet with representatives of these agencies, and will he be able to give them an indication of the government's position on the two issues I have mentioned?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I know some representations have been made. The deputy minister of agriculture recently made a tour of the western provinces and met with the deputy ministers of the provinces. I was in touch with him just before coming into the House today. I point out that we have not filled our quotas for the export of hogs to the United States at the present time. Indeed, there is a shortage of

high quality pork products in Canada at the present time. I believe the price in Toronto yesterday was $64 a hundredweight.

Mr. Epp: A supplementary question, Mr. Speaker. In view of the question that I asked the minister, would he indicate whether he will meet with the representatives who have asked to meet him to discuss the difficulties that these agencies are experiencing?

Mr. Whelan: Yes, Mr. Speaker.

* * *

SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

REASON FOR PAYMENT TO SOCIETY TO COMPENSATE FOR USE OF NAME "HERITAGE CANADA"

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Secretary of State. Would the minister inform the House why his department found it necessary to pay approximately $80,000 to the Society for the Study of the Heritage of Canada so that his department could use the name "Heritage Canada", in view of the fact that his department awarded over half a million dollars in grants to this society, which surely should have been adequate recompense for the name?

Hon. James Hugh Faulkner (Secretary of State): I will have to look into that question, Mr. Speaker.

* * *

STATUS OF WOMEN

REASON FOR DELAY OF MEASURE TO PROVIDE EQUALITY OF STATUS FOR MALE AND FEMALE PERSONS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact that this is International Women's Year and the minister has recently told the entire nation that the House now has before it a bill to provide equality of status for male and female persons, would the minister now tell the House when we will be able to debate this measure and perhaps institute it into law?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I would have to refer that question to my colleague the House leader. I have been urging him to bring the legislation forward for second reading as soon as possible, and the President of the Privy Council said that he had this in mind, provided he could get agreement from the other House leaders. I will leave the matter to the House leader.

Mr. Paproski: Mr. Speaker, may I put a supplementary question to the House leader? Not only is this part of the session drawing to a close, but International Women's Year is half over. This legislation has been on the order paper since October 8, 1974, so when does the minister plan on bringing it forward for second reading so we can get with it?

[Mr. Whelan.]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, as my hon. friend knows, we have had some difficulty in getting through our legislative program because the opposition—

Some hon. Members: Oh, oh!

Mr. Sharp: —has insisted on debating some issues at what I think has been an inordinate length. However, I am doing my very best, and with the co-operation of the hon. member's friends on the other side of the House we could bring the measure forward and deal with it quickly, I am sure. I just urge him to get his colleagues to co-operate in other respects.

* * *

CANADIAN NATIONAL RAILWAYS

SUGGESTION HILTON NEGOTIATING WITH CBC FOR SPACE IN CHATEAU LAURIER—REQUEST FOR INVESTIGATION AND REPORT

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question that I should like to direct to the Minister of Transport. It deals with the possible takeover by Hilton of certain CN hotels. In view of the Minister's statement in the House on February 12, 1975, as reported at page 3154 of *Hansard*, that "There is no doubt in my mind that CN cannot make a deal with the hotels without the approbation of the Government of Canada", would the minister advise the House whether he is aware that the CBC, which leases space in the Chateau Laurier, has just concluded lease arrangements for future occupation in the Chateau Laurier, and that these negotiations were carried out between the CBC and Hilton, not the CBC and the Chateau?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am not aware of that. These are normal negotiations that are taking place in all cases where Hilton has the responsibility of administering the hotel. I do not think the Chateau Laurier is one of Hilton's.

Mr. Rodriguez: A supplementary question, Mr. Speaker. In view of the fact that Hilton Hotels is not responsible for the management of the Chateau Laurier, would the minister investigate the situation and report to the House?

Mr. Marchand (Langelier): Mr. Speaker, I cannot investigate all of the hotels, but if it is of interest to the hon. member I will do it with pleasure.

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TRANSPORT

REQUEST FOR ASSURANCE NEW POLICY PROTECTS CROWSNEST PASS RATES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct my question to the Minister of Transport. Has he the complete agreement of the Minister of Justice regarding the new national transportation policy that he is going to bring down, and is the sanctity of the Crowsnest pass rates protected in that new transportation policy?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think we are still having some discussions regarding the general policy and the Minister of Justice has written me a letter commenting on the document. I will see what the cabinet is going to decide about that. As far as the Crowsnest pass rates are concerned, I have said, so many times in this House, what I think about them that I do not think I have to repeat myself.

Mr. Horner: A short supplementary question, Mr. Speaker. Can I assume from the minister's remarks—I have always had confidence in his view of the Crownest pass rates—that he is still fighting with the Minister of Justice, and that the Minister of Justice still wants to destroy those rates?

Mr. Marchand (Langelier): Mr. Speaker, I do not think the Minister of Justice wants to destroy anything. I think he is trying to protect the western farmers and I support him in his efforts.

* * *

MANPOWER

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED INVESTIGATION IN VIEW OF ALLEGED STATEMENTS BY VANCOUVER CO-ORDINATOR

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of charges of patronage in connection with the awarding of OFY grants levelled by a Vancouver alderman last week, and an admission by the program co-ordinator in Vancouver that they try to keep patronage to 12 per cent in British Columbia and to 25 per cent in Quebec, and in view of the fact that delay in cabinet approval of the program results in hasty decisions on applications and the awarding of funds only to people with the ability to find their way through the process, would the minister call for an immediate investigation into the OFY mess?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not know one comment that the hon. member made in his preamble to the question that has any validity whatsoever, and I see no reason for an investigation on that basis.

Mr. Speaker: Order, please.

Mr. Yewchuk: Mr. Speaker, I rise on a brief question of privilege. With the greatest respect to Your Honour, I think that when a member is recognized for the purpose of asking a supplementary question, he should be given the courtesy of completing his question before another member is called upon.

Mr. Speaker: With due respect to the hon. member, his difficulty arose from the fact that he was attempting to say that the answer that had been given by the minister was not an answer. It was, therefore, difficult to recognize him to continue with a supplementary in those circumstances. I think that the hon. member is the author of his own misfortune.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. KAPLAN—PROCEDURE FOLLOWED IN STANDING COMMITTEE

Mr. Bob Kaplan (York Centre): Mr. Speaker, I rise on a question of privilege of which I have given you notice. Yesterday in *Hansard,* as reported at page 5915, column two, the hon. member for York-Simcoe (Mr. Stevens) accused me of obstructing the work of the House finance committee, which I chair. He said:

> This obstruction was carried out on Thursday, May 15, by the newly elected chairman, the hon. member for York Centre (Mr. Kaplan)—

The issue before me, Mr. Speaker, was whether there was a quorum to vote an estimate. I followed the Standing Order, pursuant to which there was no quorum present, and held that I could not put the question. This is the conduct which the hon. member characterizes as obstruction. The hon. member has accused me in committee of being biased, high-handed, autocratic and of twisting the rules.

Some hon. Members: Hear, hear!

● (1500)

Mr. Kaplan: I reject all these descriptions as unjustified and totally misrepresentative of my conduct, and offensive to me as a member of parliament. The quorum rule of our committee is clear, and it is in writing and I applied it. Anyone is entitled to disagree with the ruling of the Chair, but accusations of obstruction put my chairmanship in question, especially on my first day on the job. I would accept the apology in the House of the hon. member.

Some hon. Members: Oh, oh!

Mr. Kaplan: If you find this is a prima facie case of privilege, Mr. Speaker, I would move, seconded by the hon. member for Scarborough West (Mr. Martin):

> That the question of my chairmanship ruling as to a quorum in the Standing Committee on Finance, Trade and Economic Affairs, as referred to by the hon. member for York-Simcoe in *Hansard* on May 20, 1975, be referred to the Standing Committee on Privileges and Elections.

Mr. Speaker: Order, please. I do not know whether there are other members who want to contribute to this very interesting question of privilege, but I would propose to re-examine the words of the hon. member and the comments of the hon. member for York-Simcoe (Mr. Stevens), who allegedly made the remarks initially, and give the matter some consideration before making a ruling.

Mr. Clarke (Vancouver Quadra): Mr. Speaker, I am sorry to rise on a point of order at this time, but I was not at all clear, from the answer given me at the close of the question period by the Minister of Manpower and Immigration (Mr. Andras), whether he is in disagreement with a statement made by his officials in Vancouver concerning the OFY program. I understood him to say that he was not sure about the validity of my comments. Let me point out that I was merely asking the minister to conduct an

investigation in order to find out if there is validity in them, and if they are valid then there is truly a mess.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I do not do this in a frivolous way, but I wonder whether Your Honour could investigate to see if there is a plot afoot by the government House leader to literally smoke us out by turning off the air-conditioning.

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SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

TABLING OF STUDY OF RELATIONSHIP BETWEEN DEPARTMENT OF SECRETARY OF STATE AND SOCIETY

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table some documents which constitute a study of the relationship between the Department of the Secretary of State and the Society for the Study of the Heritage of Canada.

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LABOUR CONDITIONS

ANNOUNCEMENT OF FEDERAL INVESTIGATION OF SEAFARERS' INTERNATIONAL UNION

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I would like at this time to make a statement with regard to the SIU. With the indulgence of the House, I will try to be as brief as possible but the House will recognize that this has been an important area of discussion for some months.

I would like to advise the House that I have ordered a further investigation of the Seafarers' International Union under powers conferred on me in section 196 of part V of the Canada Labour Code. This further investigation results from new material which was turned over to me by the Minister of Justice (Mr. Lang) on April 29.

It is important that this investigation be viewed in its proper perspective. This requires a full knowledge of the sequence of events that transpired at both the Ontario provincial and federal levels since April, 1974, when the Metropolitan Toronto Police and the Ontario Provincial Police launched an investigation into allegations affecting the Seafarers' International Union.

The investigation in Ontario last year continued for eight months without publicity. Then, on November 19, in the Ontario legislature, the MPP for High Park, Dr. Morton Shulman, made a speech in which he alleged that violence and intimidation were rampant within the SIU, that union elections were not being held in an open and democratic way, and that many other illegal and corrupt practices occurred within that union.

As soon as I saw the press reports of Dr. Shulman's speech, I requested that he turn over to me any information or evidence he might have to substantiate his charges, which I regarded as extremely serious. Reference to my response to the Shulman allegations was made in the Ontario legislature on November 22, 1974, by the Attorney General of Ontario, the Hon. Robert Welch, who said he had heard two news reports referring to my request for specific factual information from Dr. Shulman.

On the same day, November 22, criminal charges following from the eight months of police investigation into the SIU were finally laid. The Ontario authorities laid five charges, and all were related to one incident that took place in an SIU hall. Two of the charges were subsequently dropped. The remaining three charges were processed by the Ontario government under the Criminal Code, and required no federal government involvement.

When several days passed without a response from Dr. Shulman to my request for the information he claimed to have, I phoned the then Solicitor General of Ontario, the Hon. George Kerr. I asked him to provide me with any information in his possession that would support the demand he and other spokesmen of the provincial government were making for a federal royal commission or judicial inquiry into the activities of the SIU.

May I remind the House that under the constitution, as the province of Ontario is fully aware, any wrongdoing that involves violation of the Criminal Code must be handled by the government of the province in which the alleged crimes were committed. This is the only level of government that can legally take action in this kind of situation. If, however, any alleged misconduct by SIU officers was in the area of industrial relations, then, of course, it would probably come under the Canada Labour Code since the SIU operates and bargains in an industry that falls under federal jurisdiction.

It was by no means clear at that time whether the allegations and investigations covered both spheres of activity, or were confined solely to Criminal Code matters; and the Ontario authorities had been strangely unhelpful in providing clarification. I told Mr. Kerr that I would very much like to see the results of inquiries into the SIU by the police forces of Ontario as they might relate to labour-management relations, and asked him to forward this information to me as soon as possible.

I was not, however, given the kind of co-operation I had the right to expect if I was to be able to judge for myself whether any federal action was called for. The Ontario government, for reasons I can only speculate about, continued to withhold its findings from us.

Nevertheless, Mr. Kerr repeated his demands for a federal investigation into the SIU, even though he admitted he had no new information to offer as the basis for such an inquiry, nor had he forwarded to us the information he already had in his files. In a reply to opposition questions in the legislature on December 9, 1974, he stated:

> As far as new information is concerned, I believe what the hon. member for High Park has indicated in his remarks in this House and the information that the police have, all of which is available to the federal officials, is really the information in toto.

During this period, frequent charges and insinuations of a federal government cover-up of the SIU matter were made in the House of Commons and in the media. There was, in fact, no cover-up. We simply had no information on which to act, other than that pertaining to the alleged criminal acts, which came strictly under provincial responsibility.

Even on the criminal aspects, we had only the sketchiest of information, and a special express letter promised December 9 and relayed by telephone from Mr. Kerr's office on December 11 added very little more to enlighten us. It was not until early in January that we obtained access to files of the Ontario police, when an official of the Department of Justice was dispatched to Toronto to examine them.

When certain affidavits alleging hiring hall irregularities were turned over to me on December 12, my deputy minister, at my request, directed officials of my department to undertake their own separate investigation, with specific reference to abuses of the hiring hall system. A Department of Labour officer was assigned December 23 and his investigation commenced on January 2, 1975.

The outcome of the justice department investigation, as the Minister of Justice disclosed on April 29, was that no further inquiry by his department was necessary in view of the evidence obtained by his officials. If there was to be a federal inquiry, it would be initiated by the labour department under the terms of the Canada Labour Code, and it would relate to industrial relations matters alone.

I have given this chronology of events to make it clear that at no time was there any attempt by this government to cover up, or stall, or whitewash in respect of alleged SIU wrongdoing. We could not, constitutionally or morally, have acted any differently or any more promptly on this matter, given the lack of sufficient evidence and information on which an earlier federal inquiry into SIU activities was demanded.

● (1510)

The terms of reference for this investigation are as follows:

The investigation group will examine allegations and evidence concerning practices followed by officers or persons associated with the Seafarers' International Union and will carry out such investigatory activity as it deems necessary in order to:

(a) determine whether there exist now or have occurred violations of part V of the Canada Labour Code and what they are, so that appropriate legal action may be taken, and

(b) provide detailed information upon which can be based a realistic assessment of the adequacy of existing provisions of part V of the code for protecting both individual rights and the public interest.

The investigation will be carried out under the authority of the Minister of Labour pursuant to section 196 of part V of the Canada Labour Code. It will require, in the first instance, the full co-operation of police forces that have already investigated aspects of allegations concerning the SIU in making available information already in their possession. I might add that the RCMP also have indicated they are prepared to co-operate with officials of my department in carrying out the terms of reference and the investigation.

Mr. Knowles (Winnipeg North Centre): Too little, too late.

SIU

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I just want to say that I received a copy of this excuse for a statement at approximately 17 minutes to three. I would not accept an apology from the minister even if he were to give one. I think this type of waiting until the last minute to give a copy to opposition spokesmen who are to reply is a matter which we on this side have continually reminded the government about. We do not like it.

As I look at the minister's statement, it appears to be one of the cheapest shots I have ever heard in all my short life. It is extremely partisan. He went into what he described as the strange action of the government of Ontario. That is the phrase which really brought me to my feet, "the strange action of the Ontario government". In the midst of an election year, the minister chronologically outlines an event, blaming everyone except himself for his ineptitude. I am very shocked at the way in which the minister conducted himself. All those backbenchers can laugh. They laugh at anything whether it is serious or not. This is a serious matter.

What this statement does is indicate that the minister did not have any knowledge concerning what to do until April 29. It also passes the buck to the province of Ontario. Finally, it makes up an excuse for the minister's own inaction. Mr. Speaker, this entire scenario, involving even the Prime Minister (Mr. Trudeau) who did not want us to become involved because it would appear as if we were acting in a totalitarian way, involving the Minister of Justice (Mr. Lang) who procrastinated to some degree, and involving the Minister of Labour (Mr. Munro), has been nothing but an unwarranted delay and a callous disregard for the rights of individuals in respect of alleged union mismanagement. Under no circumstances, particularly in this country in 1975, should Canadians live in fear. Does the minister care? Will the hon. member opposite keep still, because he might learn something? Section 196 states:

> The minister, upon application or of his own initiative may do such things as to him seem likely to maintain or secure industrial peace and to promote conditions favourable to the settlement of industrial disputes or differences.

Here we have a minister who goes around the country talking about consensus in terms of industrial peace, while a matter has been sitting on his lap for almost a year. He turned a deaf ear to the pleas from the province of Ontario, a deaf ear to the opposition and to the people of Canada. It seems to me that the Minister of Labour ignored the legitimate request made by the province calling for a judicial inquiry and conveniently forgot that the federal government had established a federal commission of inquiry on Great Lakes shipping in 1962. He ignored the fact that Mr. Justice T. J. Norris recommended that the SIU be placed under federal trusteeship and that the federal government, after great political pressure, attempted to extradite Banks from the United States. The following is the advice given by Mr. Justice Norris:

> All police forces, federal, provincial and municipal, should extend their efforts to the utmost in co-operation with each other—avoiding jurisdictional jealousies—to the end that there shall be certainty in the enforcement of the law and that respect for the law will be maintained.

This was completely ignored by the minister. It is therefore easy to conclude that the government during this

entire matter attempted to shift, and still does, all responsibility to the province, conveniently forgetting that it had a role to play in this very serious matter. There have been allegations for some time describing an atmosphere of tyranny and fear within the organization, with the executives riding roughshod over the rank and file members. There are allegations of violence, voting irregularities and improper hiring hall activities, all of which should have been dealt with long before this.

Now the minister comes before us and says that he could not move prior to April 29. The minister says that that is not true. He can think what he wants. All I know is that his statement speaks for itself. I let the minister carry on with his comments, but he has rudely interrupted me. The minister might at least have the decency to sit there and take his lumps. It is necessary that we who are couched with responsibility determine who controls the waterfront and, indeed, who controls the union and to what extent, particularly when it is alleged that there may be offshore interference.

I believe the terms of reference of the minister leave much to be desired. They are very restrictive. I do not know what they mean. It is difficult to understand what they mean. I will give the minister some advice in terms of what I think he should have spelled out. All of these allegations which have attracted public attention, not only those concerned with individual criminal occurrences but also those which unquestionably relate to the general conduct of the union, have a direct effect upon the civil rights, freedom of choice and working conditions of the members, and accordingly one can readily conclude that all the allegations are actually symptomatic of gross mismanagement of the union's affairs. This is one reason the inquiry is needed.

As far back as December 10, 1974, the province of Ontario made known its views. The minister says no, but I know there is a lot of hanky-panky which takes place. When the minister tells me that the province of Ontario will not co-operate, I say shame on the minister. He is attempting to shaft the province of Ontario just because it is preparing for an election. If one reads that statement very closely, one will notice that three of the six pages are taken up in blaming the province of Ontario for inaction. Let me say me say this without prejudging the matter.

● (1520)

An hon. Member: Here come the judge!

Mr. Alexander: I do not particularly like that comment. I advise the hon. member to be careful in the future because I am liable to take it the wrong way. I will not this time. The hon. member gets my point. If he does not, see me later on.

Some hon. Members: Oh, oh!

Mr. Alexander: Without prejudging this matter, I believe that trade unions must not only be above suspicion but must seem to be above suspicion. Accordingly, any legitimate union should not be adverse to having its affairs scrutinized. As a matter of fact, I believe the president has suggested that he would welcome any inquiry. I hope he still stands by those words, even though I may be paraphrasing them. Without restricting the generality of any terms of reference—and I do not accept the type of terms of reference which the minister indicated to us today—I believe such reference should include the following allegations: violence, intimidation, other criminal occurrences, voting irregularities, blacklisting, all hiring hall activities, the matter of dues, misuse of union funds, power struggles within the union dating from at least 1971, and political impropriety.

I should like to say, in conclusion, that we in this party ask, indeed demand, that any recommendation stemming from the inquiry be acted upon as expeditiously as possible in order to ensure that if this union has not been democratized, it will be, and if there are charges to be laid, they will be laid.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, here is a case which has been in the headlines every day for almost a year. Finally, after all these months, we get a statement and a proposal from the minister which I consider be one of the most disappointing I have ever heard from any minister in the years in which I have been in parliament. After all these months the minister has laboured and produced a mouse. The minister proposes to do as little as possible, certainly as little as he is legally required to do. The only way he could do less than he proposes would be to do nothing at all.

The minister is critical of the Ontario provincial government. He claims that they should have co-operated with the federal government and he deplores their failure to do so. If it is true that they have refused to co-operate with him and to supply him with information which they have, then I deplore their failure to co-operate with him. But having said that, I have to say to the minister that the terms of reference which he is giving to the investigating body which he proposes to set up are far too narrow.

That body should have the power to investigate all the allegations which have been made. I will not list them all, but let me give a few of the allegations that have been made: there was political patronage; there were illegal political contributions made to important members of parliament, probably to cabinet ministers; there was, and is, violence on the docks; seamen had been beaten up; there is a lack of democracy in the SIU. If the minister really wanted to know something about the SIU past and present, he did not have to appoint a commission. The Minister of National Health and Welfare (Mr. Lalonde) was a part of the team of lawyers who acted in the inquiry, the Norris commission, and I am sure he could have filled in the government quite extensively about the misdeeds of the SIU in the not too distant past.

The minister says that on the basis of a statement made on April 29, 1975, by the Minister of Justice (Mr. Lang)—I quote from page 5 of the minister's statement—it was decided not to proceed with the request by the Ontario government for an inquiry into allegations involving the SIU. The Minister of Justice said the evidence he had received did not warrant an inquiry and the Minister of Labour would have to decide whether an inquiry was justified under the Canada Labour Code.

In view of the fact that one of the allegations is that present ministers of the Crown in this government

received large contributions from the SIU, I for one am pretty skeptical about any opinions expressed by the Minister of Justice. I would like to know who made the decision that the request by the Ontario government for an inquiry involving the SIU should not be proceeded with. Was it the Minister of Justice himself, or was it made on the basis of advice from the law officers of the department? I think this is a very important question that must be answered.

The Minister of Labour wanted the material which the Ontario solicitor general had dealing with the facts and allegations about the supposed misdeeds of the SIU. I think that was a legitimate request for him to make. I think the members of this House have a right to have placed on the record, and to have tabled, the report by the Minister of Justice or the report to the Minister of Justice by his law officers advising against proceeding in the way suggested by the Ontario government. I think the minister and the government should take steps to table that kind of information.

We believe that the terms of reference for this proposed investigation are far too restrictive. I can only conclude by saying that it is not too late for the minister and the government to broaden the terms of reference of the body set up to inquire into the matter, members of which would be named entirely by the government, or possibly an inquiry carried out by a board appointed jointly by the federal government and the government of Ontario, if that could be arranged. The terms of reference should be so broadened as to make it possible for all the allegations to be looked into. We hope that members of the board will be appointed as quickly as possible, and that the inquiry will be conducted as expeditiously as possible so that the public can know what truth, if any, there is in the many allegations of misdeeds in the application of justice in this respect.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, first of all, I must say that I have no congratulations to offer to the Minister of Labour (Mr. Munro) because while the hon. member for Hamilton West (Mr. Alexander) complained of not having received the minister's statement earlier, we did not receive it in French. I wanted to mention this because before listening to his statement, I went to meet the people in charge; I told the minister that I needed a copy of his statement in French because I wanted to read this document before making my comments. I was told: "Sorry." They did not have the time, they are sorry! If this were the first time that this has happened, I would have kept quiet, but it is not the first time that we have not received a copy in French of statements made in the House by ministers. The government should at least stop broadcasting throughout the country that the bilingualism policy will soon be implemented across the country, and it should start by establishing bilingualism in Parliament so that the French-speaking members can be on the same level as their English-speaking colleagues and that, by ministers statements can be made available in French. I hope that this time we shall be heard because it is always disagreeable to come back to these matters.

I listened to the minister when he made his statement and when, as always, he put the blame on another government. He did not act because the Ontario government did not give him all he needed. The Ontario government may have its failings, but I believe that the minister of Labour also has some failings of his own as concerns large unions. I do not know if the Seafarers International Union is also an American subsidiary like the QFL is in the province of Quebec. We always have to depend on the Americans to have unions and, often, they have very close collusions with the people in government, which brings about the conflicts that we are now seeing throughout Canada, as well as in Quebec and as concerns the QFL. So much so that we must wonder which is the most rotten, unions or governments.

Even though there are complaints against multinational corporations, even though it is said that multinational corporations must be fought, in my opinion, parties such as the New Democratic Party or other parties, should denounce those multinational unions, those unions which are imported and cannot be checked by the government because their head is too far away.

I hope that the enquiry that the minister has at long last decided to order will be thorough and that it will require that, in the future, our Canadian unions become Canadian and to cease being American. I hope so because the difficulty for Quebec as well as Canada is always the same, so much that the QFL's contributions are sent to Washington. The Canadian government will have to demand of those unions that they become Canadian unions so that it may have better control over them and detect the trouble makers within their membership.

● (1530)

[*English*]

Mr. Clark (Rocky Mountain): Where is the minister?

Mr. Alexander: Mr. Speaker, I just want to ask the minister one or two questions. I related to him certain matters which I thought should be included in the terms of reference but not restricting the generality of the overall picture. I would like to have the assurance of the minister that the reference includes looking into alleged matters of violence, intimidation, other criminal occurrences, voting irregularities, blacklisting, all hiring hall activities, the question of dues, misuse of union funds, power struggles from within the union dated from at least 1971, and political impropriety. Do all those matters come within the terms of reference which the minister has just laid before this House by way of a statement?

Mr. Munro (Hamilton East): Mr. Speaker, I would say yes to that question on the basis that, first, we refer to violations of part V of the Canada Labour Code and, second, we are asking those people investigating, including the RCMP, to tell us that if the Labour Code is ineffective in dealing with many of these matters and if its provisions are not adequate, to investigate in any event and advise what should be done with respect to strengthening the code to provide for all these types of alleged misconduct.

Mr. Alexander: Could the minister advise when the inquiry will be instituted; and in this regard will there be

one commissioner involved or will there be two as suggested by the act?

Mr. Munro (Hamilton East): There will be officials of the Department of Labour and Mr. M. C. Carson, industry specialist, conciliation and arbitration branch. In addition, the deputy minister and the assistant deputy minister, Mr. W. B. Kelly, will be available at all times to provide support and additional resources as may be required, and I might say also that officials of the justice department will be available to co-operate with the RCMP in carrying out this further investigation.

Some hon. Members: Oh, oh!

Mr. Alexander: The minister's answer to that last question of mine amazes me, because I can only come to the conclusion that this will be a complete whitewash. Did the minister not consider the advisability of appointing one or two independent persons as did the Minister of Transport, I believe, who brought in a third party not associated with his department or with the Minister of Justice? I am not imputing—

Mr. Munro (Hamilton East): Oh, no.

Mr. Alexander: I think it is up to me at least to speak on behalf of the Canadian people. The minister has just said that there will be members of his own department investigating, when there has been a cry across this land that there has been slowness on the part of the minister. Did he consider the appointment of one or two independent persons who could do this job, thereby giving us on this side the opportunity of saying that the minister is certainly on the right track? At this time we do not think so. Did the minister consider this, and what was the reason he did not pursue the appointment of independent inquiry commissioners?

Mr. Munro (Hamilton East): First, the Minister of Justice indicated that he felt, on the basis of information he had received and non the basis of initiatives taken by the federal government to obtain that information—information which was never turned over to us from the province—that an inquiry of that nature was not warranted. So we acted on our own in order to determine whether something should be done. The Minister of Justice then referred it to me on April 29. I considered the information and came to the conclusion that there were allegations contained therein which would warrant an investigation into the whole industrial relations aspect of this entire affair under the Canada Labour Code. I might add that it was something asked for by the Ontario government some months ago, but they never forwarded any information to us to back it up. On the basis of information we received on April 29, I decided to take action.

In answer to the hon. member's question, I think, with all respect, he is casting aspersions on certain public servants in the labour department.

Some hon. Members: Oh, oh!

Mr. Alexander: Mr. Speaker—

[Mr. Alexander.]

Mr. Clark (Rocky Mountain): They are responsible to you; you can shut them up.

Mr. Munro (Hamilton East): The hon. member for Hamilton West talked about my interrupting him. He gave me a lecture on the impropriety of interruption, and now he proceeds to do it himself.

Mr. Alexander: I am sorry, sir.

Mr. Munro (Hamilton East): I think that the integrity of the officials of the Ministry of Labour is above reproach. If the hon. member was not imputing motives, I will accept that; but in case there should be any question with respect to the impartiality of the investigation to be conducted, the officials are merely to help and assist the RCMP if required—and surely no member of this House, particularly the hon. member for Hamilton West, I take it, is questioning the entirely independent approach and thoroughness of the RCMP.

Mr. MacKay: Mr. Speaker, I have a couple of very brief questions for the minister. I gave certain information to the minister last December involving some individuals in Montreal—I think their names were Baldo, Diamond and McGuire—who were apparently associated with the SIU and had criminal records. I also made information available about a couple of Toronto private detectives, Max Chofosky and Terry O'Reilly, shadowing SIU members. None of this information was incorrect, as far as I know, or ever denied. I wonder whether the minister did any investigating into this and whether he proposes, as the parliamentary secretary indicated last December, to consider making changes implicit in the grievance procedure in part V of the Canada Labour Code so there would be quicker and better remedies available to SIU members if they wished to bring grievances to the attention of the authorities, including the minister.

● (1540)

Mr. Munro (Hamilton East): Mr. Speaker, to answer the latter part of the hon. member's question first, I would indicate to him that I have already become convinced, and indicated so in the House several months ago, that when we have the next group of amendments to the Canada Labour Code it will include, hopefully, amendments correcting the potential abuses—they are all too potential—in the hiring hall type of system. I have come to that conclusion independent of these actions being taken now. The tendency may or may not be to verify and emphasize that type of action. We committed ourselves to action in this sense, in any event.

In respect of the other question, I think it was the Minister of Justice who indicated, in answer to a question asked in the House, that he would have these allegations investigated. This is his function, not mine. I can only assume, on the basis of the investigation that was conducted by the Minister of Justice, that this was taken into account. This is a confidential report which was turned over to me, and now I feel that further investigation is required under the Canada Labour Code.

Mr. MacKay: Mr. Speaker, I wish to commend the minister for taking this step. I should like to ask him if, within

the parameters of the investigation, he is going to look into the hiring hall practices which Mr. Justice Norris questioned in 1962 and which were also brought up in this House on numerous occasions since then. Is he going to take steps to see, as far as possible, that people with criminal records are dissociated from the labour movement?

Mr. Munro (Hamilton East): Mr. Speaker, as far as the former question is concerned, yes, I have already answered that. There are abuses that must be corrected with respect to the hiring hall type of situation, without imputing anything with reference to this particular union at this time because it is under investigation. I am totally satisfied on that particular score.

As far as preventing anyone with a criminal record from assuming elected office in a union, that raises very serious questions. I should like to consult with my colleagues in the government; certainly with the Minister of Justice. It involves the whole question of pardon, of the nature of the criminal offence and whether we are prepared to say that anyone with a criminal record can no longer be elected to a position in a union irrespective of what the offence may be. If you just say "a criminal offence", that is a rule we do not even apply to members of parliament. If you want to apply the type of broad brush to the union movement that you are not prepared to apply in this House, I do not think civil libertarians in this House would find it an acceptable procedure.

Mr. MacKay: Mr. Speaker—

Mr. Speaker: Order, please. To complete the questioning, I propose to see the hon. member for Winnipeg North Centre, the hon. member for Bellechasse, the hon. member for Northumberland-Durham and the hon. member for High Park-Humber Valley.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wanted to ask two questions, but perhaps I will just indicate the first one and concentrate on the second.

My first question had to do with what the minister meant by an "investigation group", which is the term he used in his statement concerning the inquiry that is to be made. To save time, I will say that the answer the minister has now given was not very satisfactory. We had hoped it would be an independent inquiry. It hardly seems to meet that specification to have an inquiry conducted, under the direction of the minister, by persons in his own department. One wonders whether that investigation group would have the authority of an inquiry with the right to call witnesses, examine them under oath, and so on.

My second question has to do with the material that was turned over to the Minister of Labour by the Minister of Justice on April 29. In his statements, the minister made a great deal of the unwillingness of the Ontario government to turn certain material over to him. I hope he is not going to play the same game with us; I hope he is prepared to table in this House the material that was turned over to him by the Minister of Justice on April 29. The minister referred to it in the first paragraph of his statement. He referred to it again in what I believe was the fourteenth paragraph of his statement. There is also a reference to that material in an appendix that was added to the statement, although I do not think that was added to *Hansard*.

May I put it to the minister in the form of a question, although I think Your Honour can see the makings of a point of order. Is the minister now prepared to table the material that was turned over to him by the Minister of Justice on April 29, 1975, on the basis of which he made the decision to set up this investigation group?

Mr. Munro (Hamilton East): Mr. Speaker, if I may deal with the first part of the hon. member's comments first, let me make it quite clear that the RCMP will be conducting the investigation. Inasmuch as it deals with labour relations matters, they may wish assistance from officials of the Department of Labour; if they do, that assistance is available. The Department of Labour does not have an investigatory unit of its own with respect to violations of the Labour Code. It may be argued now or at a subsequent time in this House that we should have such a unit, but we do not.

I may say that the RCMP has considerable reluctance to enter areas that involved criminality because they feel that is completely within the jurisdiction of the provinces, the Ontario Provincial Police, the Quebec Provincial Police and other provincial police forces. I do not argue with that. Having read the report of April 29, however, it was my feeling that inasmuch as there were areas that affected industrial relations, then that was sufficient basis on which the RCMP could be called in to assist in the investigations. That general thesis was accepted by the commissioner of the RCMP and so they will be conducting the investigation, with assistance.

As far as the other question is concerned, whether this report of April 29 would be made public, if that is not a collective decision of the government at this time, certainly it emanated from an official of the Department of Justice who was called in to undertake this particular function. I think perhaps it would be proper to seek advice on this question from the Minister of Justice. I am going to add that in terms of my own view, of which I suppose there will be some considerable criticism, having seen the report of April 29 I know that the allegations are based on hearsay, which many of these investigation reports of necessity are. They are not the basis for laying charges; they are allegations which may cause suspicions to be aroused, but are not the basis upon which there would be any proof of criminality sufficient to condemn anyone in our democratic society.

Surely that is not the type of report which, for security reasons and reasons of pure natural justice, should be made public. That reputations would be irretrievably damaged without any substance sufficient for proof in a court of law, seems to me to be the overriding prohibition against documents of this kind being made public.

It was on the basis of this type of report that I came to the conclusion that the present action was warranted. If further investigations of the nature I have suggested here are made—going into allegations of this kind and finding out in the process of investigation that there is substance to them—I think we can count on the independence and thoroughness of the RCMP to recommend that appropriate action be taken either alone or in conjunction with the

police forces of the provinces. I hope that answers the hon. member's question.

● (1550)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order at this time, in accordance with the citation which says that the sort of point of order I am raising should be raised when a reference is made to certain documents. Perhaps we will not need to argue this until a later occasion, as the minister or some other minister may agree to table the documents. It seems to me, however, that this is an instance when the documents ought to be put on the table of the House. I draw to Your Honour's attention citation 159 of Beauchesne's fourth edition. Please take note of paragraph (2) which says:

> A minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the table. This restraint is similar to the rule of evidence in courts of law, which prevent counsel from citing documents which have not been produced in evidence. The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

The first sentence of paragraph (4) says:

> Official papers quoted during a debate should be laid on the table of the House.

At the end of paragraph (4) Beauchesne says:

> Mr. Speaker ruled: "That the point of order was well taken, and that the papers cited by the honourable members for Essex and Northumberland should be placed in the possession of the House".

I had paragraph (5) in mind when I raised my point of order. It reads:

> The point of order, that a member should lay on the table a document which he quotes, should be taken when reference is made to the document.

May I point out that the Minister of Labour has based his whole case on documents which were turned over to him on April 29, 1975, by the Minister of Justice. He did not stand up and say he had made his own decision. The whole case is based on material supplied to him by the Minister of Justice, as set out in paragraph 1 of his statement which says:

> This further investigation results from new material which was turned over to me by the Minister of Justice on April 29.

Likewise, in paragraph 14 the minister said:

> The outcome of the justice department investigation, as the Minister of Justice disclosed on April 29, was that no further inquiry by his department was necessary in view of the evidence obtained by his officials. If there was to be a federal inquiry, it would be initiated by the labour department under the terms of the Canada Labour Code, and it would relate to industrial relations matters alone.

There is an appendix, or chronology, attached to the statement. On the last page, paragraph 18 again refers to material that was turned over to the Minister of Labour by the Minister of Justice. How can we assess the meaning of the minister's decision which he says is based on certain material if we do not have that material? It may well be, from what the minister said a moment ago, that after he discusses this question with the Minister of Justice or other officials he will come forward in a few days and table the document. That being the case, I do not see the need to argue the point extensively now. I want to enter this caveat, as it were: it seems clear from the citation and from our practices that the minister, having cited, having referred to or having based his decision on material which was turned over to him by the Minister of Justice on April 29, 1975, should let us see that material. I submit we are entitled to have it tabled in the House.

[Mr. Munro (Hamilton East).]

Mr. Speaker: Order, please. My understanding of the citation is similar to that expressed by the hon. member for Winnipeg North Centre in his first argument. He referred to Beauchesne and argued that when a minister has quoted from a statement, he must table it. This is similar to the rule applying in a court of law. According to that rule, a document which is cited must be filed. That is not an equation; it is a similarity. In a court of law, the rule is that the document which has been cited must be filed by counsel who quoted from it. In the House of Commons, the rule is that when a minister quotes from a document, he must table it. But the minister has not quoted from a document, although he made extensive references to it.

Unless I can be persuaded otherwise, it seems to me that an application should be made when the Minister of Justice is in the House for the tabling of these documents. I bring forward this argument so that hon. members may be forewarned and prepared to argue the point more extensively if it is raised when the Minister of Justice is in the House. At this time I would not, on the basis of the present argument, compel the Minister of Labour to table the document because he has not quoted from it. However, I leave the matter open for argument for when the Minister of Justice is in the House. The document was offered by that minister. If the hon. member wishes to raise the point at another time when the Minister of Justice is in the House, it can be argued more fully at that time.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I do not want to extend this discussion on the inquiry which has been announced by the hon. Minister of Labour (Mr. Munro). However, I would like to ask him three very precise questions, and I am satisfied that he will give proper answers.

When an inquiry is launched, it is because there are hidden facts which the public and Parliament must be made aware of. This is the reason for an inquiry. Then, I should believe that we will have a real inquiry, a thorough study and not a superficial inquiry.

Will the investigators have all the necessary powers to order public servants, employees of Seafarers' Union and also federal government employees, to appear and to make sworn statements?

Will there be an in-depth study in order to find out where the control the Seafarers' Union really lies, and whether financial contributions have been made to the electoral fund of any political party over the last few years and which might have interfered with the freedom of some members of parliament?

Will the inquiry commissionners be allowed to call the Minister of Labour as a witness, and in the affirmative, will the minister agree to appear?

Those are the three questions to which I should like to get an answer, in order to satisfy a little the needs of parliamentarians and of the Canadian people as a whole.

[*English*]

Mr. Munro (Hamilton East): Mr. Speaker, I suggest that this would be an inquiry which the RCMP would conduct in the same way as it conducts any other investigation. It would use various techniques at the disposal of the police. This does not involve the police force, in the normal investigation of matters, with power to call witnesses and force testimony under oath. They apply other methods in conducting an investigation. This investigation, I repeat, is being conducted by the RCMP.

Mr. Stanfield: In depth?

Mr. Munro (Hamilton East): Yes, I believe it will be an in-depth inquiry. There are matters here of a doubtful nature. Allegations are being made, according to information I received on April 29, which I considered ought to be dealt with. There should be an effort made to asertain whether these are valid allegations. If they are, they may warrant further action. They may warrant criminal charges being laid; that is possible. The investigation does not preclude that possibility, if these matters are to be looked into. This does not preclude the possibility that this matter may warrant a full-depth inquiry of the nature some hon. members of the House are calling for.

Mr. Stanfield: And who decides that?

Mr. Munro (Hamilton East): The government of the day decides these questions.

Mr. Stanfield: They are still secret.

Mr. Munro (Hamilton East): The Leader of the Opposition must be aware of this. This does not mean that my colleague, the Minister of Justice, is not determined to look at the material available. But that is not the basis on which a full inquiry should be conducted. In this country we do not have an inquisitorial type of justice. We do not have the possibility of undertaking some kind of search unless there is something substantive on which to base the search. That is why the RCMP have been called in. It is on the basis of information they received. As far as I am concerned, it is to determine, especially in those areas that deal with the full industrial relations sector, whether there is enough substance to any of those allegations to warrant further action along the lines recommended. I already indicated that we made the further conclusion with regard to hiring practices.

● (1600)

[*Translation*]

Mr. Lambert (Bellechasse): I thank the hon. Minister for his answer. I now have a short question for him. Has the RCMP been given a deadline for its inquiry and report to the Minister of Justice (Mr. Lang)?

[*English*]

Mr. Munro (Hamilton East): Mr. Speaker, there is no set period of time when this matter will be in the hands of the RCMP. I can only hope, as does the House, that the RCMP will conduct their investigation with dispatch.

Mr. Lawrence: Mr. Speaker, I do not think we fulfil our responsibilities in this House by beating around the bush as we have done this afternoon. There are two large "why's" that come out of this weak, vacillating, mealy-mouthed statement of the minister this afternoon. They both relate back to him and the extremely partisan, political way that he has conducted himself in this House. They relate back to serious allegations about a cozy relationship between this and other ministers with this particular union.

Mr. Munro (Hamilton East): Mr. Speaker, I rise on a question of privilege. When I hear statements like that from the hon. member who just sat down, I just shudder at the thought that he could occupy the position of attorney general of the province of Ontario. Allegations of cozy relationships and innuendoes with regard to my personal character are totally unwarranted. If the hon. member had the instinct of any responsible parliamentarian, instead of indulging in this type of filth he would be fully aware that the RCMP were called in to investigate these allegations of cozy relationships and bribes alleged by Dr. Shulman. All the federal officials, including the cabinet ministers named, were thoroughly investigated by the RCMP. The RCMP exonerated those officials of the charges. This champion of parliamentary democracy ignores the exoneration completely and reiterates charges that have been proved false. I think that type of conduct is disgraceful.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The fact of the matter is that the new provisions under which we are operating do not provide for any further speeches or statements on the other side. We are in a period where questions can be put to the minister. This is not the time for representations. If the hon. member has questions, I ask him to put them.

Mr. Lawrence: Mr. Speaker, they both relate back to the same thing, the whole question here of that relationship. It is an admitted relationship. Let me just put my two questions. First, the RCMP obviously needs no directive or mandate from this particular minister to investigate the SIU. There is no question about that whatsoever. If it is an RCMP investigation, I simply ask the minister, why is it not the Department of Justice; why is it the Department of Labour? That is my principal question.

If it is a police investigation, why is it not a normal investigation? Why is it not a full-fledged inquiry? The minister has just indicated we are not going to have that. Is this inquiry going to be open? Is it going to be judicial? Are there going to be subpoena powers? Will they have the powers of contempt provisions? This all goes back to the fact that these are going to be civil servants under this particular minister. My first question is, why is it not a Department of Justice investigation? Why is it not a judicial inquiry? Why could they not find a judge, another Cliche, to do a proper job instead of a whitewash?

Under all these circumstances, and with all these serious allegations, the one remaining main question that the minister has not answered today is, why the delay in doing this? Why did they not do it a long time ago? If the minister does not like these imputations and allegations, then obviously the question still arises: the best way of defeating that type of thing last November when the issue first came up would have been to appoint a full-fledged

inquiry, not a weak-kneed, mealy-mouthed thing nine or ten months after the issue first arose.

Mr. Munro (Hamilton East): Mr. Speaker, I will answer the series of questions the hon. member has just raised. Again, the hon. member asks why we did not conduct a full-fledged inquiry back when these matters were first raised. When he was attorney general of a province, if somebody made some charges which he would not even be able to see and which he would not be able to determine whether there was any foundation to them, would he run into the provincial legislature and appoint an inquiry? He would probably be one of the most outstandingly incompetent and unjust provincial attorneys general we have ever known. That is completely ridiculous.

The fact is, and the hon. member knows it, that when a government takes the responsibility for setting up a full-fledged inquiry which is an inquisitorial type of procedure—and the hon. member is aware of that—then in terms of political morality you have to be satisfied there is sufficient substance to the allegations to warrant an inquiry. If the hon. member wants to be sincere in these charges, he ought to look to his colleagues in the province. I gave this chronology for a purpose. This is a factual statement of the province's behaviour in making facts available to us upon which we could base any judgment for an inquiry. While there were cabinet ministers of a provincial government insisting in the provincial House on a federal inquiry, and while there were charges by Dr. Shulman, we immediately asked for the information upon which they were justifying the conclusion that the federal government, (a) should become involved, and (b) should have an inquiry.

Mr. Lawrence: You are involved.

Mr. Munro (Hamilton East): Just a minute. They are the ones who are saying this. They are the ones who have the facts at their disposal which led them to that conclusion. The OPP and the metropolitan police were involved for months investigating the SIU. It seems entirely reasonable for the federal government to say, "If you are making these charges and suggesting there should be a federal inquiry, turn over to us all the information you have so that we can be in a similar position to make some judgment as to whether that type of action is warranted."

Indeed, weeks went by and we did not get the information. In the chronology here, there was a letter—I think it was dated December 11—which stated we should have a federal inquiry. They did not turn over any material or any of the facts on which they based their conclusion that there should be a federal inquiry. All these charges were being made about a cover-up and suggestions that there should be a federal inquiry. They kept laying it on the federal government, but at the same time they did not turn over any material. That is a pretty nice ploy, but I do not have to respect it and I do not respect it.

If they want the federal government to have an inquiry and institute what should be, in a democracy, a unique procedure in terms of an inquisitorial type of justice, they should be prepared to say they do not want to conduct the inquiry, they think we should do it, and give us the information they have which they think justifies undertaking that type of action. That did not occur.

• (1610)

What did occur? Since we did not get the information, we decided that something had to be done and that we should try to find out ourselves. A federal labour official looked into the affidavits that were turned over to us by a member or members of the opposition. Justice sent an official down to Toronto to see the relevant people in the police forces, and it was at that time, having sent our own officials and after repeated requests for information which went unanswered, that we started to get some information ourselves.

Mr. Lawrence: The files were turned over?

Mr. Munro (Hamilton East): Yes, they were, over a course of weeks. If my memory serves me correctly, the final updated report was some time in April and it was turned over to me on April 29. It was on the information that the federal people obtained that we decided to conduct this present investigation. If it had not been for the information that the federal people obtained, in my opinion to this day we still would have no facts provided by any inquiry conducted in Ontario on which to base an investigation. If that history of the situation does not leave serious questions regarding proper conduct on the part of the province of Ontario, then I do not know what does.

My hon. friend for Hamilton West has criticized me. Some of us have been criticized for months while innuendoes and slurs of all kinds have been made in regard to this situation, and I think the hon. member is fully aware of them. While they were being made, we tried to get the information that they already had in their possession so we could form some conclusions. The only conclusion we could come to was that we had to get this information ourselves, and that is what we proceeded to do in the discharge of my responsibility.

Mr. Jelinek: Mr. Speaker, it is already very hot in the chamber, so I will try and cool it down. I do not want to get the minister too flustered. We do not want to lose him for another month, although I do not think we would miss very much. I should like to ask a couple of brief but specific questions based on the premise that the inquiry will include looking at the voting regulations. Perhaps before putting my questions the minister could assure the House that the inquiry will include voting irregularities.

Mr. Munro (Hamilton East): Yes, Mr. Speaker. I think voting irregularities would be included under both (a) and (b) of the terms of reference. The RCMP have been authorized not only to conduct an investigation as to any possible offences under the Canada Labour Code, but also to suggest where they feel no adequate protection is given by the Canada Labour Code against abuses of the nature described in this House on numerous occasions, and how the code can be strengthened.

Mr. Jelinek: Then based on that reply, which I am happy was an affirmative reply, I should like to question

the legality of the present ratification of the union contract as well as the election of the president of the union.

Mr. Speaker: Order, please. Any questions hon. members put to the minister at the moment must relate to his statement or the investigation, the terms of reference and related matters, and not go beyond that to the affairs of the union itself, which is a substantive matter. If the hon. member has other questions to put to the minister about his statement or the investigation, he should do so now.

Mr. Jelinek: In that case, Mr. Speaker, perhaps I can rephrase my question and ask the minister, when the inquiry looks into the irregularities of the ratification and the presidency of the union, will it also look into the way these votes took place? I have a number of affidavits, and it is a known fact that many members of the union were forced to vote in different places. For example, I have an affidavit which states:

I voted for the union president in four different halls for the same vote and about 35 to 40 others in my groups did the same.

As far as ratification of the contract is concerned, a group in one area voted nearly 100 per cent against it, yet it was passed. When they questioned the result of the vote, the union president told them that "it was too damned bad—accept it or leave it". I could go on to give further examples, but the question is: Will this inquiry have the power to prove the illegality of these two different points that I touched on, the ratification of the contract and the presidency of the union, and perhaps retroactively deal with voting procedures at the time the votes were taken?

Mr. Munro (Hamilton East): Intimidation practices as a technique in the operation of the union, voting irregularities and that sort of thing, in my view are included within these terms of reference.

Mr. Jelinek: May I put a final supplementary question, Mr. Speaker? The minister did not say whether the possibility exists of doing these things illegally so far as the presidency and the contract are concerned. Can the minister assure the House that the police report will be tabled in the House, as well as a general report from the Solicitor General; and if not, why not?

Mr. Munro (Hamilton East): Mr. Speaker, I have already indicated what my view would be with respect to the tabling of documents or information obtained in the normal investigative procedures used by the police. For one thing, I think the police themselves would find such a step abhorrent because it would totally undermine their investigatory role. Not only that, but horrendous damage could be done to an individual whose name might be mentioned but who is never charged because there is no substance to the allegations.

Mr. Stanfield: The police report to you.

Mr. Munro (Hamilton East): Yes, they do. There are many lawyers among the opposition ranks. For example, I think the hon. member for Calgary North would be shocked at the proposal that reports resulting from investigations conducted by police forces should be tabled in the House. I cannot believe that any lawyer having an appreciation of civil liberties in this country would ever recommend such a step. In all the years I have been in the House, I cannot ever recall hearing anyone in the opposition recommend such a course.

Mr. Stanfield: That is why we have inquiries.

Mr. Jelinek: Would the minister answer as to the illegality of the situation?

Mr. Speaker: Order, please.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,115, 1,870, 1,881, 1,915, 1,974, 2,047, 2,051, 2,059, 2,064, 2,125, 2,179, 2,233, 2,296, 2,303, 2,332, 2,396, 2,433 and 2,435.

Mr. Speaker, if question No. 1,591 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 1,911?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

"ILLUNGUAT" PROJECT

Question No. 1,115—**Mr. Laprise:**

Was the anthropology department of Laval University assigned the "Illunguat" project and, if so (a) was it completed (b) were the findings published (c) was a deadline set?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Central Mortgage and Housing Corporation and the Department of Indian Affairs and Northern Development as follows: The "Illunguat" project, which was to enable the Eskimos of New Québec to define and describe their housing requirements as demonstrated in a prototype house, was carried out by the Department of Anthropology of Laval University. This project was financed by a grant of $8,868, made under Part V, of the National Housing Act. The results of the project which has been completed, are in the form of plastic parts of a house and its furnishings, which may be arranged and rearranged as a prototype house depending upon the requirements of the inhabitant. An example of the project is available for viewing in the Quebec Regional Office of Central Mortgage and Housing Corporation. Also, a complete set of the project is now available for use in the Department of Indian Affairs and Northern Development Quebec Regional Office.

Order Paper Questions

CNR—ALCOHOL AND DRUG PROBLEMS OF EMPLOYEES

Question No. 1,870—**Mr. Mazankowski:**

For each year since 1968, how many employees of CNR have been under the influence of alcohol or drugs while subject to duty or on duty and, of these, how many have been (a) dismissed under Operating Rule "G" (b) reprimanded (c) dismissed, then reinstated because the appeal procedure found in favour of the employee?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises as follows: Statistics are available only in respect of employees (train and engine crews, yard crews, train dispatchers and telegraphers) subject to the Uniform Code of Operating Rules, of which Rule "G" is a part.

	(a)	(b)	(c)
1968	13	0	0
1969	22	0	0
1970	9	0	2
1971	13	0	0
1972	14	2	6
1973	19	1	7
1974	32	3	8

PERSONNEL WHO SPEAK ARABIC

Question No. 1,881—**Mr. Macquarrie:**

1. How many personnel in (a) the Department of External Affairs (b) the Department of Industry, Trade and Commerce (c) Canadian International Development Agency speak Arabic?

2. What efforts are being made to recruit personnel proficient in this language?

Hon. Mitchell Sharp (President of Privy Council): 1 and 2. (a) There are presently six foreign service officers and one clerk who speak Arabic. In addition two officers are presently studying Arabic on a full-time basis each year prior to the annual examinations for the foreign service a recruitment exercise is conducted by all foreign service departments at Canadian universities. Department of External Affairs representatives on these recruitment tems encourage candidates with a facility in foreign languages to apply for the foreign service competition. Only candidates successful in this competition are offered employment as officers in the foreign service. Proficiency in any foreign language (including Arabic) does not guarantee the acceptance of any candidate applying to the foreign service. (b) Whenever it is considered necessary to recruit personnel speaking a specific language to augment the number already on staff, official recruitment procedures are followed. However, the department's continuing language training program assures a supply of persons trained in languages relevant to their duties abroad. In the next fiscal year four foreign service officers will begin training in the Arabic language. (c) Four employees speak Arabic. No efforts are presently being made to recruit personnel proficient in this language.

[Mr. Sharp.]

*CANADIAN OWNERSHIP OF CANADA'S NATURAL RESOURCE INDUSTRY

Question No. 1,911—**Mr. Rynard:**

1. Is it government policy to increase Canadian ownership of Canada's natural resource industry and, if so, in what way does Canada Development Corporation's declared plans for major additional investment in Canada through its marginal 30 per cent interest in Texas Gulf, whereby foreign equity in our resources will always increase at least twice as fast as Canada's own equity meet with this policy?

2. As opposed to direct investment should not this indirect sellout of Canada's natural resource industry by the Canada Development Corporation be examined by the Foreign Investment Review Board?

3. What assurance has the government that capital generated by the sale of Connaught facilities and real estate resources in Canada will not be siphoned off in Canada Development Corporation's investment programme?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Finance and Industry, Trade and Commerce as follows: 1. The government welcomes the propect of increased Canadian ownership of Canada's natural resources. The purchase by the Canada Development Corporation of 30 per cent of the shares of Texasgulf has helped to increase the Canadian ownership of that particular company which is one of the major developers of Canada's natural resources. This investment by the CDC will also indirectly increase Canada's equity in any future development undertaken by Texasgulf. Yes, it is government policy that Canadians should have greater participation in the ownership of Canada's natural resources. This is an objective which the government intends to pursue jointly with the provincial governments.

2. The proposed investment is not now reviewable under the Foreign Investment Review Act, and would not likely be reviewable following Second Proclamation of the Act.

3. Should certain Connaught facilities be sold it will be the responsibility of the Board of Directors of Connaught to decide how to use the proceeds of the sale. Furthermore, it is the CDC Board's responsibility to determine its investment program and the means to finance such program.

NEW BRUNSWICK—BREAKWATERS AND WHARFS

Question No. 1,915—**Mr. Howie:**

1. (a) What plans are underway to provide new breakwaters, wharfs and haulouts for New Brunswick fishermen (b) on what date will construction start (c) at what cost?

2. Are any new programmes to provide fishing vessel and gear improvement scheduled for this year or next?

3. Are there plans to implement an income stabilization plan for fishermen to ensure a reasonable average level of earnings?

4. Are there definite plans to ensure that Canadians have exclusive fishing rights within two hundred miles of Canadian shoreline?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. (a) Plans are presently under way to provide two new breakwaters, seven new wharfs, and three haulouts at various locations in New Brunswick. (b) A work schedule for these projects is presently being developed by the Regional Small Craft Harbours Branch Office in Halifax, working in conjunction with the Department of Public Works. These projects are planned to be started and com-

pleted in the fiscal year 1975/76. (c) The cost of these projects is approximately $2,134,000. This amount does not include the maintenance and repair program.

2. A new vessel assistance program planned to include the modification and conversion of existing fishing vessels is currently being developed. There are no plans to provide assistance for gear improvement other than continuing research in this field.

3. The design of a program of income supplementation for needy fishermen, to replace the coverage for seasonal unemployment benefits provided by the Unemployment Insurance Commission, has been under study for some time. A number of options have been developed which, if acceptable for the clients, could be implemented as soon as an operational data base is fully in place. It is considered that the program selected must be integrated with programs being developed to rehabilitate the industry and trade based on the groundfish resources of the Atlantic coast.

4. Canada, at the United Nations Law of the Sea Conference, has been strongly advocating the concept of the economic zone, an area 188 miles wide beyond a 12 mile Territorial Sea, in which the coastal state would have sovereign rights over the exploitation and management of renewable and non-renewable resources as well as specified rights to control pollution and marine scientific research. With regard to fisheries jursidiction, Canada is also seeking rights over the resources of the continental shelf where the shelf extends beyond the limit of the economic zone and, in addition, is seeking protection for anadromous fish species, such as salmon, when they migrate beyond the economic zone of the state of origin.

COMMUNICATION TECHNOLOGY

Question No. 1,974—**Mr. Reynolds:**

1. Was a contract awarded to R.C.A. Ltd., Montreal, Quebec for experimental communication with the communication technology at a cost of $2,262,806?

2. What is the function of the procured experimental equipment?

3. What are expected benefits from such experimentation?

4. Does the Department of Supply and Services ever question the propriety of such contracts and contracts generally?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and Communications as follows: 1. A contract in that amount was awarded on October 2, 1974 to RCA Ltd. for existing electronic equipment, spares and data, modified in accordance with Department of Communications specifications, for use as part of the Remote User Experimental Terminals and Network Controls System of its Communications Technology Satellite.

2. The function of the equipment is to transmit signals to and receive signals from the Communications Technology Satellite (CTS). It forms part of the earth station complex required for the experimental use of the satellite.

3. The CTS Program is a joint Canadian/U.S.A. program involving the use of increased power in the satellite to permit the use of smaller, lower cost earth terminals. Canadian objectives are to assess the possible applications of such high power communications satellites, to develop and test the techniques and equipment required, and to develop the capability of Canadian industry to meet Canada's requirements for satellite communications systems in general.

4. The need for goods and services is established by the customer departments. The propriety of the price and other contract conditions is carefully examined, questioned and supported by officers of the department of Supply and Services prior to issuing contracts.

DEPARTMENT OF EXTERNAL AFFAIRS—PARLIAMENTARY RETURNS OFFICE

Question No. 2,047—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of External Affairs?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): The Department of External Affairs does not have a Parliamentary Returns Office identified as such. Parliamentary returns are among the duties of departmental officials regularly assigned to the Office of the Secretary of State for External Affairs.

DEPARTMENT OF JUSTICE—PARLIAMENTARY RETURNS OFFICE

Question No. 2,051—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Justice?

Hon. Otto E. Lang (Minister of Justice): There is no Parliamentary Returns Office as such in the Department of Justice. Parliamentary returns are handled by members of the Departmental Secretariat.

DEPARTMENT OF PUBLIC WORKS—PARLIAMENTARY RETURNS OFFICE

Question No. 2,059—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Public Works?

Hon. C. M. Drury (Minister of Public Works): Fiscal year 1974/75 operating costs for the Parliamentary Returns Office were as follows: Salaries (two man years) and related costs, $29,465.

DEPARTMENT OF TRANSPORT—PARLIAMENTARY RETURNS OFFICE

Question No. 2,064—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Transport?

Hon. Jean Marchand (Minister of Transport): Fiscal year 1974-75: $36,000.

Order Paper Questions

ECONOMISTS EMPLOYED BY VARIOUS GOVERNMENT DEPARTMENTS

Question No. 2,125—Mr. Stevens:

1. As of March 31, 1975, how many economists were employed by the (a) Department of Energy, Mines and Resources (b) Department of the Environment (c) Department of Finance (d) Department of Indian Affairs and Northern Development (e) Department of Industry, Trade and Commerce (f) Department of Regional Economic Expansion (g) Department of National Health and Welfare (h) Office of the Prime Minister (i) Economic Council of Canada?

2. In each case, what would have been their aggregate salaries if all were employed for a full year?

Hon. Mitchell Sharp (President of the Privy Council): 1 and 2. (a) 82, $2,017,882; (b) 163, $3,794,613; (c) 176, $3,639,992; (d) 72, $1,525,597; (e) 78, $1,858,450; (f) 82, $1,997,662; (g) 169, $3,223,912; (h) 2, $51,000; (i) 38, $809,349. The above answer refers to employees in the Economics, Sociology and Statistics Occupation Group (ES) and does not necessarily mean that all are economists.

OFF-SHORE DRILLING REGULATIONS

Question No. 2,179—Mr. Clark (Rocky Mountain):

What are the current regulations for off-shore drilling in northern waters with regard to (a) construction specifications (b) safety precautions (c) pollution control generally?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Environment as follows: (a) and (b) The regulations governing the construction specifications and safety precautions for drilling in the onshore as well as in the offshore regions of Northern Canada are contained in the following pieces of legislation: (1) Oil and Gas Production and Conservation Act; (2) Canada Oil and Gas Drilling and Production Regulations, and Drafting of Revision of item 2) is underway for replacement by Spring 1976 by: (i) "Canada Oil and Gas Drilling Regulations" (onshore and offshore) and (ii) "Canada Oil and Gas Production Regulations" (onshore and offshore). (c) The primary legislation under which the Government of Canada regulates and controls oil and gas activities is the Oil and Gas Production and Conservation Act. The Canada Oil and Gas Drilling and Production Regulations have been passed under the Act to provide the basic framework of rules for the safety and effectiveness of operations at a wellsite. The primary legislation in regard to "land" administration are the Public Lands Grants Act and the Territorial Lands Act. The Canada Oil and Gas Land Regulations, promulgated under these Acts, stipulate the terms under which the oil and gas rights are made available for development. Statutory authority in regard to offshore deposits is given to the regulations under the former Act. The following statutes and regulations are also pertinent to the problem of pollution control; the Fisheries Act and the Arctic Waters Pollution Prevention Act. The Arctic Waters Pollution Prevention Regulations promulgated under the Act provides interpretation of (i) the terms "industrial and domestic waste", (ii) where the statute applies, for example, the Act does not apply to the deposit of waste by a ship, and (iii) the quantity of waste which can be deposited. The Canada Shipping Act also provides pollution control legislation with regards to ships. Under the Act, the Oil Pollution Prevention Regulations could be used for the control of vessels used in the exploitation or exploration of offshore mineral resources. The Migratory Birds Convention Act Regulations also contain sections for the control of pollution.

NOTE: A drilling authority issued by the Conservation Engineer designated under Item (1) and (2) is required for each well to be drilled in the northern offshore. Interdepartmental committees are established respectively in Ottawa Headquarters and in regional offices in Whitehorse and Yellowknife to ensure satisfaction of all legislation requirements in respect of (a) construction specifications of drilling, (b) safety precautions, (c) pollution control, and others.

FEDERAL DRUG PROSECUTORS FOR GUELPH, LONDON AND WINDSOR

Question No. 2,233—Mr. Beatty:

1. (a) What are the names of the federal drug prosecutors for (i) Guelph (ii) London (iii) Windsor (b) how many cases were prosecuted by each on behalf of the government (c) at what cost to the taxpayer?

2. In each case (a) what groups or individuals were asked to submit lists of recommended lawyers prior to the appointments being made (b) for each individual or group consulted who were the other lawyers recommended?

3. What criteria were employed in selecting lawyers to prosecute drug cases on behalf of the government?

Hon. Otto E. Lang (Minister of Justice): In so far as the Department of Justice is concerned: 1. See table below:

2 and 3. See answer to question No. 1,952, tabled June 13, 1973, p. 4705.

1. (a)	(b) 1973–74	1974–75	(b) 1973–74	1974–75 (to April 8)
(i) Smith, D.C.	250	231	$20,137.95	$15,086.83
(ii) McCuaig, R.G.	12	14	5,530.48	7,004.67
MacKewn, C.F.	11	14	8,567.00	12,549.16
Pensa, C.M.V.	*303	*49	14,741.17	14,022.16
(iii) Geddes, H .B.	*777	*1,383	39,047,53	41,864.56

*Information concerning number of cases for Pensa and Geddes, who had submitted bulk accounts, obtained from Health and Welfare, whose records were in respect of calendar years. Therefore, the figures are for the calendar years 1973 and 1974 respectively.

[Mr. Marchand (Langelier).]

CBC COVERAGE OF PRIME MINISTER'S TRIPS SINCE 1968

Question No. 2,296—Mr. Cossitt:

On how many trips outside Canada made by the Prime Minister since April 20, 1968 has he been accompanied or covered in any way by CBC personnel and, in each case (a) what was the place visited and the date of the visit (b) how many personnel were involved in any way?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: CBC records have not been maintained in a manner which would enable the corporation to extract readily and without an inordinate amount of work, time and cost, information on coverage of the Prime Minister's trips outside Canada in the last seven years.

TRANSLATION OF RARE BOOKS INTO ENGLISH

Question No. 2,303—Mr. Brisco:

Is federal assistance available to aid in the cost of translation of rare books from German, Italian or any other language, to English?

Hon. James Hugh Faulkner (Secretary of State): No.

MR. IGOR GOUZENKO

Question No. 2,332—Mr. Cossitt:

1. What are all the reasons that a government pension was not given to Mr. Igor Gouzenko from 1946 up to the time the government of the Right Honourable John G. Diefenbaker took such action in 1962?

2. Is the government aware (a) that because of the special circumstances under which he must live, Mr. Gouzenko cannot earn income from regular employment (b) that his present pension income is inadequate to maintain a decent standard of living and that as a result of this he is indebted to a bank in the amount of thirteen thousand dollars (c) that the normal cost of living addition made to his pension has only been applicable for the past several years and is insufficient?

3. Has the government given serious consideration recently to the words of the 1946 Report of the Royal Commission on the Gouzenko case: "In our opinion Gouzenko by what he has done, has rendered great public service to the people of this country and thereby has placed Canada in his debt"?

4. Will the government increase Mr. Gouzenko's pension by an adequate amount?

Hon. Warren Allmand (Solicitor General): 1. From 1946 to 1962 Mr. Gouzenko was looked after entirely by the Canadian Government. Since 1962 he has been the recipient of a monthly stipend.

2. (a) Originally Mr. Gouzenko did live under special circumstances and there was fear for his life; however the security requirement has greatly diminished and there is now no reason for Mr. Gouzenko not to seek employment. (b) Mr. Gouzenko's present pension income is approximately $1,050.00 per month, tax free, which was approved by Treasury Board and is considered adequate. (c) The normal cost of living increases have been granted during the past several years and are in line with the average industrial wage for the particular area of his residence.

3. The words of the 1946 Report of the Royal Commission were appropriate at the time and the Canadian Government has provided adequate reward for his services.

4. Mr. Gouzenko's pension is reviewed annually and will be reviewed again in 1975 bearing in mind the cost of living and the average industrial wage increases for his particular area of residence.

ST. LAWRENCE ISLANDS NATIONAL PARK—FEES CHARGED FOR BOATS

Question No. 2,396—Mr. Cossitt:

1. In regard to the announcement by Parks Canada that fees would be charged for boats making use of government islands in the St. Lawrence Islands National Parks, how many (a) persons will be involved in collecting such fees (b) extra personnel will be hired as a result of the necessity of collecting such fees (c) boats will be used in regard to such collections (d) additional boats will have to be purchased?

2. What is the estimated annual cost including wages, use of boats and any other factors in collecting such fees from persons using the islands and what is the estimated annual amount of fees that will be collected?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) Three for a total of 1.2 man-years. (b) Three. (c) Two. (d) Two.

2. Estimated costs, $14,550; Estimated amount of annual fees collected, $52,000.

CONTAINER TRAFFIC

Question No. 2,433—Mr. Forrestall:

For each year 1968 to 1974 inclusive, for the Ports of Halifax, Saint John, Quebec and Montreal, what was (a) the container traffic handled in terms of (i) tonnage (ii) total tonnage by percentage (b) the total tonnage carried or handled in container traffic?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows:

Container Traffic Handled at Eastern Canadian Ports
(In Tons)

Port	1968	1969	1970	1971	1972	1973	1974
Halifax	—	50,114	251,047	695,712	1,107,202	1,310,955	1,705,857
		7.3%	16.2%	25.6%	32.7%	30.0%	35.6%
Saint John	—	50,000	89,811	138,346	342,673	491,026	450,824
		7.3%	5.8%	5.1%	10.1%	11.2%	9.4%
Quebec	—	91,929	300,586	602,649	685,292	850,335	855,587
		13.4%	19.4%	22.2%	20.2%	19.4%	17.9%
Montreal	120,792	496,028	907,132	1,276,122	1,248,833	1,717,981	1,774,008
	100.0%	72.1%	58.6%	47.0%	36.9%	39.3%	37.1%
Total	102,792	688,071	641,444	2,712,829	3,384,000	4,370,297	4,786,266
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SOURCE: N.H.B. Ottawa

Order Paper Questions

GENERAL CARGO TRAFFIC IN EASTERN PORTS

Question No. 2,435—**Mr. Forrestall:**

For each year 1968 to 1974 inclusive, for the Ports of Halifax, Saint John, Quebec, Trois-Rivières and Montreal, what was (a) the general cargo traffic handled expressed (i) in tons (ii) as percentages of tons (b) the total general cargo traffic handled?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows:

General Cargo Traffic Handled at Eastern Canadian Ports
(In Tons)

Port	1968	1969	1970	1971	1972	1973	1974
Halifax	642,133	892,283	803,338	1,120,183	1,719,419	1,840,971	2,312,505
	9.4%	11.5%	9.7%	13.8%	20.3%	21.5%	23.8%
Saint John	998,999	1,198,360	1,407,970	1,311,841	1,718,768	1,683,536	1,921,693
	14.6%	15.5%	17.1%	14.6%	20.3%	19.6%	19.8%
Quebec	751,845	844,564	1,009,898	1,292,788	1,152,065	1,099,855	1,222,855
	11.0%	10.9%	12.3%	14.3%	13.6%	12.8%	12.5%
Trois-Rivières	484,031	511,297	498,414	395,594	329,951	267,646	235,464
	7.1%	6.6%	6.0%	4.4%	3.9%	3.2%	2.4%
Montreal	3,952,865	4,283,873	4,520,184	4,775,520	3,555,359	3,679,689	4,036,975
	57.9%	55.5%	54.9%	52.9%	41.9%	42.9%	41.5%
Total	6,829,873	7,730,377	8,239,804	9,015,926	8,475,562	8,571,697	9,729,492
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SOURCE: N.H.B. Ottawa

QUESTION PASSED AS ORDER FOR RETURN

CIDA

Question No. 1,591—**Mr. Reynolds:**

1. (a) Who is the President of CIDA (b) what is his salary (c) what were his expenses in 1974?

2. Who are the Board of Directors of CIDA?

3. How many divisions are in CIDA and what are their names?

4. How many divisions are (a) unilingual English (b) unilingual French (c) bilingual?

5. (a) How many employees, full and part-time, are in CIDA (b) what are their salaries (c) what were their expenses in 1974?

6. What were CIDA's expenditures in 1974 and how much of this was (a) operating expenses (b) actual monies to companies or organizations?

Return tabled.

● (1620)

Mr. Beatty: Mr. Speaker, I hesitate to rise on a point of order, but this is in respect of a question answered yesterday, No. 2,030, which I placed on the order paper earlier this year. The question asked for information in respect of the names of lawyers acting in the constituency of Wellington-Grey-Dufferin-Waterloo on behalf of CMHC. The return I received was signed by the minister for housing, but in the record I see that the Parliamentary Secretary to the Minister of State for Urban Affairs took responsibility for it.

[Mr. Marchand (Langelier).]

My concern is that we have been told repeatedly in the House of Commons that there is no way a minister can be compelled during the oral question period to give adequate answers to question. It has been generally accepted that if questions are placed on the order paper it is incumbent upon the minister answering the questions to give honest and complete answers and, to the best of their ability, to give straightforward answers.

I cannot think of any more blatant example than the case of question 2,030 of a minister on several instances simply not addressing himself to the question I asked and where the answer he gave was very clearly misleading. I asked about the lawyers who were on the approved list for my constituency. He answered in respect of three counties but did not deal with the regional municipality of Waterloo at all.

There was no answer at all to question No. 2 respecting the names of lawyers now on the approved list with CMHC in my area, and no explanation was tendered as to why the answer was not given. There was no answer at all to part 2 of the first question asked, as to how much these lawyers were paid for work on behalf of the federal government; and once again there was no explanation tendered as to why the answer was not given. There was no answer in respect of question 4(a), as to whether government members were consulted about the appointment of lawyers in their constituencies. In fact, as this House knows, a copy of a letter sent by the Minister of State for Urban Affairs to Liberal members of parliament, Liberal representatives and party workers of constituencies not held by government members has been made public and it shows there was input from those sources. The minister refused to answer that part of the question.

There was no answer in respect of question 4(b), as to whether there was an attempt to consult with me in respect of the appointment of lawyers to act on behalf of CMHC in my constituency; and if not, why not. Obviously, I could have answered that question. No attempt was made. I think it is fair that we should expect, when questions are placed on the order paper, to get frank and honest answers to them. It is very obvious in this case that the government might have been embarrassed by the answers if they were given, but I do not think embarrassment constitutes an excuse for not giving the House answers or for giving answers which can only be seen as misleading. I think the public of Canada and the members of this House are entitled to more frank behaviour on the part of ministers of the Crown.

GOVERNMENT ORDERS

[*English*]

CITIZENSHIP ACT

MEASURE TO ESTABLISH CONDITIONS AND PROVISIONS GOVERNING CITIZENSHIP

Hon. James Hugh Faulkner (Secretary of State) moved that Bill C-20, respecting citizenship, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

He said: Mr. Speaker, last October 10, Bill C-20, an act respecting citizenship, was given first reading. Today, as I propose the second reading of this bill, I believe it would be helpful if my remarks were to place the question of citizenship in as fully developed a context as possible. Accordingly, I should like first to situate the proposed legislation within the Canadian context by looking at the history of naturalization and citizenship laws in this country, and then to examine some of the specific provisions of the proposed legislation.

In proposing the second reading of the Canadian Citizenship Act in 1946, my predecessor, the Hon. Paul Martin, stated the case for establishing a distinct Canadian citizenship. He declared in part, and I should like to quote from his remarks of that day:

> The bill arises from the fact of pride, common pride, in the achievements of our country, based upon the great exploits of our people... For the national unity of Canada and for the future and greatness of this country, it is felt to be of the utmost importance that all of us, new Canadians or old, have a consciousness of a common purpose and common interests as Canadians; that all of us be able to say with pride and say with meaning: "I am a Canadian citizen".

In framing the Citizenship Act of 1947, the government was rightly concerned with the principle of citizenship that would be so defined and with the implications of that definition for Canadian society. With the principle of Canadian citizenship firmly established, we now focus attention on the process of acquiring citizenship. For our part, Mr. Speaker, one of the prime factors in determining the nature of this new citizenship legislation has been the government's concern for those individuals who will be most directly affected by it, namely, the potential citizens of this country.

The landed immigrant who makes the momentous decision to apply for Canadian citizenship testifies to his commitment to this country. He states he desires to join Canadian society formally so that he can participate fully in the Canadian community. In expressing the wish to adopt a new nationality, the potential citizen must place his case before the citizenship authorities. It seems only fair to that individual that he have a precise idea of the basis on which his case will be judged. For this reason, in drafting Bill C-20 we have made every attempt to make the whole process of becoming a citizen clear and straightforward.

The fundamental change in the proposed legislation is that the grant, retention, resumption or renunciation of citizenship is no longer a discretionary act on the part of the minister. Rather, it is made a right upon compliance with certain specific statutory requirements. This does not mean that anyone who knocks on our doors automatically has the right to become a citizen. It does mean that to obtain Canadian citizenship, an individual will go through a clear and straightforward process and, upon the fulfilment of certain conditions applicable to all persons, citizenship shall follow.

In its definition of citizenship as a qualified right, Bill C-20 represents the latest progressive step in the history of naturalization and citizenship laws in Canada. I believe it would be useful to review these steps very briefly so that the proposed legislation can be seen in the proper perspective.

Even before 1867, the various colonies which later formed the Dominion of Canada enacted legislation regarding the naturalization of aliens. A year after confederation, parliament passed legislation providing for one uniform law of naturalization. In 1881, the Canadian parliament passed its own Naturalization Act based upon the Imperial Naturalization Act of 1870 enacted by the United Kingdom parliament. However, the lack of uniformity in laws relating to citizenship and naturalization in the British Empire continued to cause difficulties. The Imperial Conference of 1911 agreed upon a number of basic principles for new imperial naturalization legislation. Among these, two in particular should be noted: one, imperial nationality should be worldwide and uniform; and two, there should be a five-year qualifying period.

● (1630)

In 1914, the legislation embodying the principles agreed upon was enacted by the United Kingdom parliament and by the Canadian parliament and subsequently by the legislatures of the other dominions. In Canada, the citizenship or nationality laws were determined by three statutes: the Canadian Immigration Act of 1910, designed to meet the needs of immigration and deportation; the Naturalization Act of 1914, adopted in order to meet the needs of imperial nationality; and the Canadian Nationals Act of 1921, enacted to meet the needs of participation in the international community, the League of Nations particularly.

It is interesting to note that not everyone who was a Canadian national under the Canadian Nationals Act was a Canadian under the Canadian Immigration Act and nowhere was provision made for Canadian citizenship. In

1930, these anomalies were brought forward and a report on nationality problems in Canada was presented to the secretary of state. A bill to revise and consolidate the laws of naturalization and citizenship was introduced in 1931 but was withdrawn before third reading.

Finally, in 1946, the secretary of state, the Hon. Paul Martin, introduced a new bill to revise and consolidate naturalization and citizenship laws and to introduce Canadian citizenship instead of British subject status or Canadian nationality. Proclaimed on January 21, 1947, the Canadian Citizenship Act, with some amendments, remains to this day. A progressive piece of legislation in its time, the present, much amended Citizenship Act has become complex and unwieldy, in certain respects illogical or not fully equitable, and somewhat out of tune with the times.

Mr. Speaker, the new citizenship bill represents a comprehensive revision of current citizenship legislation. I believe that on close examination it will be found to be an equitable, logical and liberal piece of legislation, reflecting the principles on which Canadian society has been founded. Let us turn to some of the specific changes proposed in the bill.

One aspect of the new bill which has been greeted favourably on all sides is its equal treatment of men and women. A few years ago, the report of the Royal Commission on the Status of Women pointed out five very important ways in which the present Citizenship Act discriminates against women. No one would claim that those who first framed the legislation set out to be deliberately discriminatory. However, in these five instances the legislation either makes special concessions to what the consciousness of the time termed the "weaker sex" or simply complies with then current international practice. The new citizenship bill corrects such discrimination.

Under the present act, only one year of residence is required by the alien wife of a Canadian husband wishing to become a citizen herself. On the other hand, the alien husband of a Canadian wife has to fulfill the full five-year requirement. Under the new bill, the wife or husband of a Canadian citizen must fulfill the standard residency requirement before obtaining citizenship. Secondly, under the present act, in most cases, only the father may apply on behalf of a minor child to obtain his citizenship. Under the new bill, either parent may make such an application. A similar arrangement exists for adoptive parents.

In the next two areas, some groups have suggested to us that retroactive legislation should be implemented to correct the discrimination. When the 1947 act was proclaimed, it did not restore the Canadian citizenship of Canadian women who had married aliens before 1947 and thus lost British subject status or Canadian nationality. Also, the present act does not permit the child born abroad of a Canadian mother and alien father to acquire his mother's citizenship, unless the birth is out of wedlock. In the first instance, it has been suggested that women who lost Canadian nationality through marriage before 1947 be proclaimed citizens retroactively. In the second case, it is suggested the children born abroad to Canadian mothers and alien fathers be retroactively proclaimed citizens. In our opinion, a retroactive citizenship law has unknown consequences. It could be as derogatory of right in some cases as the original law.

Let us look at a few examples, Mr. Speaker. Let us suppose that a Canadian woman married an alien in 1945. Let us further suppose that she has been living abroad now for several years and that she has acquired or inherited land in her husband's country. It is very common for countries to have laws which forbid land ownership by non-citizens. It does not take much to imagine the consequences for that woman if she suddenly learned that, without reference to her wishes, she now had been made a Canadian citizen retroactively for all these years. While we have not made the new bill retroactive, I think that we have solved this difficulty fairly. The new bill specifies that any alienated married woman whose British subject status or Canadian nationality was not restored in 1947 may simply notify the secretary of state of her wish to acquire it. By her own decision, she may become a Canadian citizen as soon as she can establish her identity. We are giving to the women I have described the option of themselves setting in motion the process which will make them citizens if they so choose. The matter is in their hands.

In the other case I mentioned, that of the child born abroad, the new bill will permit derivation of citizenship from either parent. Here, too, we felt the suggestion of retroactivity posed many difficulties. Let us suppose the child is now 18 or 19. He has lived in a foreign country all his life, speaks the language of that country and is now, for example, a partner in his father's business. One can well imagine the legal ramifications for that individual if, through enactment of a law in his mother's country, he suddenly became an alien in his country of birth.

The new citizenship bill is also more equitable in the fact that children born abroad are now given rights to citizenship equal to those of children born in Canada. As I mentioned earlier, according to the proposed legislation, children who are born abroad will derive Canadian citizenship through either parent in or out of wedlock. Related requirements in the current legislation have also been corrected. Current legislation stipulates that citizenship can be lost unless the birth of a child outside Canada is registered within two years and the child becomes resident in Canada by age 24. The proposed legislation eliminates the registration requirement, thus making the right to citizenship indefeasible in the first generation born abroad.

As well, the new bill passes the rights to citizenship conditionally to the second generation. In effect, clause 7 of the new bill provides that such a person in the second generation can retain citizenship if by the age of 28—that is, ten years after majority—he or she makes application to obtain citizenship and either resides in Canada for at least one year preceding the date of application or establishes a substantial connection in Canada.

Another change to Canada's citizenship law which has met with favour is the provision that the age of application for citizenship be reduced from 21 to 18 years. At the time the law was framed, 21 was a logical age, reflecting the age of voting and the age of majority recognized in most law. However, a person may now vote at the age of 18 in Canada. It seems illogical that the person coming to Canada from abroad may not become a citizen until the

age of 21. This inconsistency has been set right in the new bill.

● (1640)

Le me deal now, Mr. Speaker, with two points about British subjects—points about which some confusion may exist. Under the present act, a British subject wishing to become a Canadian citizen has a much simpler road to follow than does an ordinary alien. He is not questioned on his knowledge of the responsibilities and privileges of citizenship. He is not tested on his knowledge of the English or French language. No interview is conducted to determine his character. He does not appear before a judge to take the oath of allegiance unless he himself requests it. Normally, he simply takes the oath before an examiner at the time of application.

Since one of the main reasons for drafting a new citizenship bill is to give this country citizenship legislation that is firmly based on principles of fairness, the preferential treatment of one group of potential citizens over another is no longer acceptable. For this reason, the privileged status formerly granted to British subjects has not been maintained in the new bill. British subjects will now be treated like other applicants.

Another point with regard to British subjects is the removal from the new bill of the phrase which appears in the present act "a Canadian citizen is a British subject". There are those who think that the removal of this phrase will mean that Canadians travelling abroad will no longer have the protection of British legations. This is not the case, Mr. Speaker. Canadian citizens now receive the protection of the British legation where no Canadian mission exists because the Canadian government has made arrangements with the United Kingdom for such services to be provided to Canadian citizens. Such services in no way depend on the fact that Canadian citizens are termed British subjects under the present Citizenship Act.

The phrase "a Canadian citizen is a British subject" was, in reality, a transitional one. Before 1947, every resident of a country that was part of the British Empire, or latterly, of the British Commonwealth, was designated a British subject. The Citizenship Act of 1947 was the first law passed in any Commonwealth country to create a citizenship separate from that of British subject. The old phrase "British subject" was kept on, as I said, transitionally. Since then, distinct citizenship has been adopted by most Commonwealth countries, including the United Kingdom itself.

What we are proposing now is to add a phrase to our citizenship law which recognize today's realities. In the new bill we have recognized the status of "citizen of the Commonwealth". In so doing, we acknowledge the ties of friendship that exist between Canada and all members of the British Commonwealth, not all of whom can any longer be properly designated by the term British subject. Furthermore, in recognizing this status the bill provides that the special status accorded to British subjects in any other Canadian legislation shall henceforth be applicable to all persons who are citizens of the Commonwealth.

Mr. Speaker, let us now look briefly at several measures which make Bill C-20 a more liberal piece of legislation than the current Citizenship Act. One such provision will make it possible for Canadian citizens who have been residing abroad and have lost their citizenship in one way or another over time to resume Canadian citizenship with one year's residence after they have become landed in Canada. It did not seem fair that a person who had qualified as a Canadian citizen and had resided here for many years, and had for some reason lived abroad for a while, would have to go through a long process all over again on his return to Canada. Consequently, we have made a change. Such a person may normally resume his citizenship if he again becomes landed and resides here for one year.

A second measure which liberalizes the approach to citizenship is the removal of the requirement that an unsuccessful applicant must wait two years before a new application can be considered. A provision of the present act, that waiting period may well have had an intimidating effect on potential citizens and in certain cases it may even have created hardship. If a person is genuinely mistaken when he applies at a time when he presumes he has achieved qualification, let us say in knowledge or language proficiency, there is no justification for withholding a subsequent application for a minimum period of two years. Therefore, in the proposed legislation the restriction has been removed.

Another of these liberal provisions—

Mr. Stanfield: I don't like the word. It is not a very good presentation.

Mr. Faulkner: Liberal with a small "l". Another of these liberal provisions is the reduction in the waiting period from five years to three. Rather surprisingly, Mr. Speaker, this is a change which has caused some discussion. We have received some letters claiming that people cannot acquire a genuine understanding of this country in anything less than five years. We have received others claiming that all immigrants are automatically going to become citizens after three years. Of course, neither of these contentions is true. On the contrary, some immigrants may want to wait 25 or even 30 years before acquiring citizenship. But for the many immigrants who do want to apply for citizenship as soon as their residency requirement has been fulfilled, five years seems an inordinately long time to wait.

Looking at the minimum waiting period, we felt that it was arbitrary and unfair to penalize those who feel themselves ready to apply before a five-year term is up. After all, we live in a society where highly sophisticated systems of telecommunications not only put us instantaneously in touch with events across the country but link us to events in the far corners of the earth and even beyond. The fact that such a wealth of information is so readily available to every potential citizen is a cogent argument for the reduction of the waiting period.

Another change which is proposed in the bill is the removal of the requirement that an applicant be "of good character".

Mr. Stanfield: Is that a liberal provision?

Mr. Faulkner: Mr. Speaker, I am most anxious that this change should not lead to any misunderstanding. A great

deal of thought has gone into the proposal and I would now like to outline our reasoning. I said a little earlier that the fundamental change in the bill is that citizenship is made a right upon compliance with certain specific statutory requirements. If the seemingly simple notion of good character were to be retained, therefore, it would have to be somehow rendered into a measurable requirement. But that exercise is not quite as simple as determining a person's age or requiring a look at a birth certificate or immigration landing date, or even verifying the applicant's knowledge of Canada or of one of its official languages. Even these latter two can be tested uniformly. Language and knowledge tests abound in schools and universities and can be used as models. But character is not so easy; it is more nebulous; more likely to be left to arbitrary appreciation.

We have examined the idea of leaving the task, as at present, to our citizenship judges and letting them determine whether an applicant is of "good character". The problem there is that the phrase itself is open to so vast a range of interpretation as to make it no more than a subjective evaluation on the part of the citizenship judge, and thus to render its application as a standard requirement open to serious controversy. I am sure that if I ask each hon. member individually and privately how he or she would define the term "good character", I will get as many answers as there are individuals in he House. While citizenship judges may have interpreted the phrase with responsibility and good sense, nevertheless the fact remains that the application of the requirement has necessarily been an arbitrary thing, especially with regard to any distinction between public and private behaviour.

Mr. Speaker, leaving aside our technical problems for the moment, I ask the House to consider why we should try to test character in such a manner. After all, what is citizenship? It is the act of participating in a political system. Participation in Canada's economic and social systems are granted by residency, by simply being here legally. Very roughly stated, Canadian citizenship enables one to do several things: to vote; to run for public office; to carry a Canadian passport; to exercise certain activities where citizenship is a statutory prerequisite. It also allows one to enjoy an almost indefinable sense of belonging to, contributing to and participating in Canada. The conferring of citizenship is an enabling gesture on the part of the government to lift all barriers which stand in the way of the full political participation of an individual.

● (1650)

Citizenship is not a reward for good behaviour. It is not a prize to be awarded only to the more meritorious. The native born do all the things I listed a moment ago without any test of character. I have reached the conclusion that the broad character requirement in the present act is indefinable, unrealistic and unfair. As practised in the past and in any known design, it punishes, sometimes wrongfully, human behaviour not punishable by law. For these reasons, in Bill C-20 we have turned to the law. Instead of the nebulous phrase "good character", we have set down specific criteria which can be invoked without fear of abuse.

Under the new bill, certain sections of the Criminal Code and the Narcotics Control Act will provide these necessary guidelines. About these guidelines there can be no dispute. After all, a person either has done certain things or he has not; he is certain things or he is not. The law deals with law-breakers, native and foreign-born. The removal of the words "good character" is an important step in the direction away from arbitrary discretion. It is a step which is totally in keeping with the basic change of the new citizenship bill which redefines citizenship as a qualified right where certain stated conditions are satisfied.

Under present Canadian law, citizenship is, as I said, a grant made at the discretion of the minister. I think this discretion has been fairly administered over the years. In principle, though, if not in practice, such an approval allows for the imposition of conditions which are not stated in law. It permits the possibility of arbitrary exercise of authority without public or legislative sanction. The new citizenship bill corrects this situation. In the new bill, however, section 18 of the proposed legislation does grant discretion to the governor in council to refuse to grant citizenship or resumption of citizenship, or to recognize the renunciation of citizenship if it would be prejudicial to the security of Canada or contrary to public order in Canada. This, I believe, provides adequate and proper exceptional intervention in extreme cases.

Mr. Stanfield: No possibility of arbitrariness there.

Mr. Faulkner: The new bill also gives the minister and the cabinet certain positive discretionary powers. This means that the minister and the cabinet can forgive certain qualifications—

An hon. Member: That's right.

Mr. Faulkner: I wish the hon. member would pay some attention. This also means that the minister and the cabinet can reward people for special services to Canada and can relieve cases of particular hardship. I believe the House will agree that these provisions are necessary for dealing fairly with cases which may call for a humanitarian or generous decision. I am sure, as this bill goes to committee for study—

Mr. Epp: Not if we can help it.

Mr. Faulkner: I hope that is not the official position of the official opposition, but an insensitive reaction.

An hon. Member: You will find out.

Mr. Faulkner: I hope that when it does go to committee for study, many groups and individuals will follow with interest the progress of this legislation and the commentary it will no doubt provoke. That Bill C-20 will receive such public commentary from a wide cross-section of the population is hardly surprising, for what we are discussing is an issue which touches every Canadian.

It is the hope of the government that in removing the many inconsistencies and barriers existing under current legislation, the new bill will encourage potential citizens to acquire Canadian citizenship. It is with this hope in mind that I invite hon. members to lend their support to the proposed citizenship legislation and so join with the government in reaching out to potential citizens of

Canada to issue, on behalf of the Canadian community, a gentle invitation to citizenship.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, every once in a while the purpose of a bill causes us to stand back and look at ourselves as a people. As to what citizenship really means, people will of course have different perceptions because of their differing experiences in Canada. The other day there was a seminar on, of all subjects, the governability of democracy. An assessment made by some of those who participated was that part of the problem about democracy and the fact that the question would even be raised was that some of the essential components are missing; that is, what I call a sense of purpose, a public philosophy, and if I can add one of my own, a sense of what citizenship entails. Indeed it is, as the minister said, a matter of right, with qualifications, by the statute but of course there are also complementary privileges and responsibilities.

I suppose I have the same difficulty speaking on an issue like this as most Canadians. Up to now we have been somewhat uncomfortable about defining what we mean by patriotism. To me, citizenship is precious. It is something which must be nurtured, valued and never cheapened. I have been reflecting, as I look at this bill, on some of the service rendered to Canada by our colleague, the right hon. member for Prince Albert (Mr. Diefenbaker). Of course history will have many things to say about this, but for my part as a Progressive Conservative it seems that the contribution the right hon. gentleman made to parliament and to the democratic process was that he substantially broadened the base of the party of which I have the privilege of being part.

Some hon. Members: Hear, hear!

Mr. Fairweather: He made this party, the party I am speaking for today in this debate, more representative. Therefore, the corollary is that he improved the democratic process and broadened our citizenship. I remember the days of the debate on the Bill of Rights. Those of us who were brought up in the common law experience heard it repeated many times by our legal brethren that of course there was no need for a statute to embody these rights; we had always enjoyed them. We who were used to the British tradition had always enjoyed them, and the legislative enactment was merely puffery or surplus. Of course, the right hon. gentleman and the government of the day knew that for many Canadians who were not brought up in this tradition it was vital to have a code of rights, something for them to look to. So I want to say, as we deal with the broad principle of this bill, that citizenship and the whole matter of how we respond to it, of course, has different perceptions and different meanings depending upon our backgrounds.

The minister was good enough to say that he could not stay for my speech because of another engagement, but I have several things to say about the bill. I think that citizenship and immigration are linked. Whether they are linked now by statute or not, they are in the minds of most Canadians. After all, not so very long ago citizenship and immigration were the responsibility of one minister. It seems to me an anomalous situation that we should be debating Bill C-20 its whole purpose being citizenship, at the very time a special joint committee of the Senate and House of Commons is going across the country gathering information on what the public feels about our immigration policy.

I have spoken to many of my colleagues who have had the privilege of being on this committee and hearing some of the representations, and in most cases no differentiation is made between citizenship and immigration. I suggest that it is both insensitive and bordering on contempt for the special joint committee to be debating this bill at the very moment the committee makes its progress across the country.

● (1700)

Some hon. Members: Hear, hear!

Mr. Fairweather: I added in my notes that both these adjectives are not a rare characteristic of this government.

There are a couple of other things that I want to say, Mr. Speaker. One is that I think the provisions for allowing time in Canada—if one is in Canada illegally—to count is not helpful or, to use the minister's adjective, not a good liberal principle, with a small "l". Secondly, I think some of the comments made when the bill was introduced many months ago, that the whole citizenship court process may be speeded up can, if not carefully watched by the minister and his department, cheapen the granting of that very right and could be in danger of making the whole process like that of a sausage factory. None of us wishes this, and I want to enter a very special caveat—that whatever should be the future of this bill, one result should not be a sort of night court routine proceedings where people run up, sign the book and go on their way. Citizenship is precious, and cannot, and should not, be cheapened. It should transfuse our country and renew our country; I am certain that citizenship has immeasurably strengthened our country.

The minister has mentioned the discretion that he will enjoy and that cabinet will enjoy. I say to him with great respect that this is going to result in endless trouble for him. I will not count myself out, if I should be here, as one of those members who would wish to put pressure on the minister to exercise discretion. I have watched many ministers of citizenship during my 13 years in this House, and I think that at times the pressure upon them must have been intolerable because of this discretion. As a somewhat old-fashioned lawyer member of parliament, I would rather have jurisprudence than discretion governing the grant of citizenship. I prefer jurisprudence and an appeal procedure to a rather loosely-drawn system of discretion.

Mr. Stanfield: Even liberal.

Mr. Fairweather: Even liberal, as my leader says. As I mentioned earlier, our views on citizenship will differ. Our search for it has taken many forms in our literature. By a curious paradox, one of the most eloquent searches is in a book by a Canadian, Frederick Philip Grove, who I believe used to be at the University of Brandon. He wrote a book called "In Search of America" at a time when nationalism was not as rampant as it is at the present time. He reminded us that we should not spend so much time searching for our country because, after all, it is all about us. It is really the sightless or those who do not have

any perspective of this country and what citizenship means who spend so much time searching for Canada. That is just a little extra, Mr. Speaker. I suppose when I am teaching Canadian literature I can use Frederick Philip Grove and that example, but I wanted to share it with the House this afternoon.

Canada, of course, is not an exclusive London Club type of place. The words qualifying citizenship, in my humble opinion, be they ethnic, be they naturalized or not, any word that qualifies our feelings for our brothers and sisters who are citizens is demeaning. After all, this inheritance is shared. As John Kennedy said about America once, this is a land of immigrants. I had an opportunity to visit the north and learn of the settlement of the north by the movement of the Innuit people across the Bering Sea. The same applies, of course, to the Indian people. I realize that none of us can claim any special privileges about citizenship because all of us at one time or another came here from somewhere else.

An editorial which appeared in the Windsor *Star* on October 17, 1974, had two sentences which I think are valid and relevant to this debate. The editorial said:

> Being a Canadian has become much more a source of pride in the past few years, particularly by comparison with other countries. We are losing our national diffidence, and it is only proper that the formalities of citizenship keep pace with the intangibles of pride and confidence.

I like that, Mr. Speaker, and I want to relate it to my hope that the granting of citizenship by our courts will continue to be a dignified and very special occasion for both the judge granting the privilege and the new citizen receiving it. As a member of parliament, I have witnessed this many times in the past. An editorial which appeared in the *Globe and Mail* on June 4, 1974, said:

> It takes courage to pull up stakes, move perhaps half way around the world, and make a fresh start in an unfamiliar country. It is a gutsy kind of person who is ready to take on the daily challenge of coping with a new language, new laws and new customs for the sake of a better life for his family and himself. For Canada immigration has been more than just a source of population, it has been a supplier of a very special kind of people, generously endowed with initiative, boldness, creativity and the capacity to respond to challenge.

I hope this House feels that the comment by the *Globe and Mail* is an appropriate one to make as we discuss what I suggested earlier was an interlocking of the whole issue of immigration and citizenship. They are inextricably bound. As I said earlier, it is too bad that the bill is put forward now. It has been on the order paper since last October and is brought up now at the very moment the special joint committee is travelling across the country.

The bill is not all bad, however; there are some pluses. I take particular satisfaction in the fact that at last our men and women are treated equally. Women who lost citizenship by marrying foreign nationals under pre-1947 law can now recover their citizenship automatically. Children born abroad can derive citizenship in or out of marriage. This, of course, was the subject of one of the many recommendations of the Royal Commission on the Status of Women. If I can be modest, it has been the subject matter of a private member's bill which I introduced in the last parliament. I am glad the government has responded. I think the government could have responded with a simple and amended bill—this remark applies to several other

[Mr. Fairweather.]

clauses—by virtue of which this and other anomalies could have been cleared up long ago.

● (1710)

The minister said that the old discrimination as between British subjects and immigrants from outside the Commonwealth is to be erased. He has given us an interpretation of the three-year formula. Presumably the qualifying time for the British is to be increased, and the five-year qualifying period for others—I suggest that the unpleasant word "others" should not occur in our present consideration—is to be decreased. These disparate qualifications are to be merged in the three-year term.

Many of my colleagues have raised in caucus, if I may let you in on a big secret, and in public discussion the reduction from 21 to 18 of the age for individual applications for citizenship. I suggest that the government has been very laggardly indeed about introducing this obvious provision. The provinces have long since reduced the age of majority and the Canada Elections Act did so several years ago. I think it is important for mature, adult people to be given the opportunity to make individual applications. The government's long delay in coming to grips with this problem has meant that the careers of many young men and women have been inhibited. They have not been able to engage in some of the careers enunciated by the minister in his speech.

I make the point that we all were immigrants once. I think it pertinent to quote part of a monthly pamphlet put out by the Royal Bank of Canada. I quote from the one of November, 1973. It says in part:

> By becoming a Canadian citizen a person shows that he is no longer satisfied to be merely a guest in the house where he lives but that he has, in fact, become one of the family.
>
> In primitive times, when a person sought to live in another group than his own, ceremonial rites of adoption were necessary. These rites were supposed to make the incoming individual a blood member of the new group.
>
> Citizenship implies acceptance of a code of behaviour, but that is only the starting point. It also gives one a set of anticipations and expectations.

I, for one, hope that the anticipations and expectations of those who come to this country will always be generously met. I hope that is how those will feel who have come to Canada and wish to adopt this as their own country. Nothing in recent Canadian history has troubled me more than recent manifestations of evil, of racist statements scrawled by cowards on walls of buildings, usually at night because the perpetrators of such crimes are not brave enough to do it in daylight. This subject will be considered by the special committee. I, personally, hope that this whole aspect, this wound on the fabric of Canada, will not be allowed to fester and that our federal and provincial governments will meet it head on.

I wish to read another passage into the record. It is by John Stuart Mill. This quotation is also contained in the monthly letter of the Royal Bank, that most farsighted Nova Scotia bank which is Halifax-based. It reads in part:

> John Stuart Mill, philosopher and economist, wrote in his essay on liberty: "The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it."

I assume that we are anxious to help others obtain it, "it" being citizenship. The House is no doubt anxious to hear from my colleagues who will want to participate in this debate. We will support the bill going to committee. My colleagues wish to say some things about the bill during the present stage of debate. They will make other suggestions to improve the bill when it is before the committee. Mr. Speaker, we will support Bill C-20 moving to Committee.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker,—

An hon. Member: You are the only NDP member present.

Mr. Symes: I see how crowded the benches are for this afternoon's important debate. On behalf of the NDP, I welcome Bill C-20, the new citizenship bill, for it removes many of the inequities and anomalies in existing citizenship legislation. This bill changes the whole situation. Previously, citizenship was a privilege, granted at the discretion of the minister. By virtue of this bill, citizenship becomes a right, available after fulfilment of specified conditions.

We entertain serious reservations about clause 33 which deals with non-citizen ownership of land. We shall explore this matter further in committee and ask the minister to clarify the provision, as it may conflict with provincial government legislation which has been passed in an attempt to restrict foreign ownership of provincial land. I shall discuss this in greater detail later.

I should be lacking in manners if I did not mention and pay tribute to a number of hon. members of this House, especially of my party, who have proposed a series of private members' bills designed to improve the old citizenship legislation which came into force in 1947 and has been amended 61 times. I refer to Bill C-260, standing in the name of the hon. member for Winnipeg North Centre (Mr. Knowles), the aim of which is to allow a child born outside Canada the right to claim Canadian citizenship through the mother. I am happy to note that this idea has been incorporated in Bill C-20.

The hon. member for Winnipeg North Centre also proposed another private member's bill, C-317, the aim of which is to give the alien husband of a Canadian wife the same privileges as are given to an alien wife in the application for Canadian citizenship. I am happy to note that the proposal put forward by the hon. member for Regina-Lake Centre (Mr. Benjamin) in Bill C-283, for reducing the minimum residence requirement from five to three years, has been adopted. The proposal put forward by the hon. member for Regina-Lake Centre in his private member's public bill, C-319, has not been totally incorporated in Bill C-20. I urge the minister to consider the purpose of the hon. member's bill. The explanatory note reads in part:

> The purpose of this bill is to amend the Canadian Citizenship Act to provide that persons residing in Canada by virtue of a minister's permit—

The reference there is to the Minister of Manpower and Immigration.

> —may have such time of residence counted for purposes of qualifying as time of permanent residence for purposes of the act.

● (1720)

I see in Bill C-20 that the only credit given for people in those circumstances would be that each day in Canada would count as a half day toward fulfilling the residence requirement. I think a full-day provision is quite logical because many of the people here under minister's permits are in Canada under special circumstances. I think that time should be counted for them. As I said, I am happy to see that the ideas behind private members' bills are being incorporated in this new citizenship bill.

The minister briefly pointed out some of the changes in the legislation, changes that many members on all sides of the House have been urging on the government to bring about a greater degree of fairness in the Citizenship Act. We now know, of course, that the period of residence requirement to obtain citizenship will be reduce from five years to three. The age of majority is now reduced from 21 years to 18, and men and women will be treated equally. All applicants for Canadian citizenship will be required to meet the three years' residence qualification without regard to any marital connection with a citizen. Children born abroad will now derive citizenship from either parent. Either parent will be able to apply for citizenship on behalf of a minor child. Women who lost their Canadian citizenship through marriage to an alien prior to 1947 will be able to recover it automatically upon notice to the minister.

Under the new act, British subjects will no longer be exempt from the requirement to be examined by a citizenship judge or to attend a ceremony to take the oath of allegiance. I think those are measures that are quite fair and long overdue, especially the points that end the discrimination against women. That would make a former colleague of mine, Mrs. Grace MacInnis, very happy. When she was a member of this House, year after year she vigorously urged that discrimination against women in the Citizenship Act be ended.

I am also happy to see that we now have recognized citizenship judges by this bill. There are presently 21 such judges in Canada. Also, the bill now incorporates the right of appeal for an applicant against any decision granted by a citizenship judge. In the past we had the problem of a citizenship judge denying citizenship and the applicant having no right of appeal. The concept of appeal is one that is of long-standing in our democracy and legal system. I am happy to see that it is now restored in the aspects of granting of citizenship.

In one sense, this is a motherhood bill. It is something that all members can agree on—the need to reform and update our Citizenship Act. There is very little to be critical about. However, there is one clause that does concern me. I mentioned this at the outset. I refer to clause 33 of the bill. It applies to property, non-Canadian ownership of Canadian property, especially Canadian land. We have a concern on the part of the provinces, especially Nova Scotia and Prince Edward Island, and indeed my own province of Ontario, about the degree of foreign ownership of provincial land. Because the federal government has failed to take any real initiative in this area, the provinces, which under the constitution have authority to regulate property, have been taking initiatives and passing bills to restrict non-resident, non-Canadian ownership

of land. However, when we look at clause 33 we find the following:

33(1) Real and personal property of every description may be taken, acquired, held and disposed of by a person who is not a Canadian citizen in the same manner in all respects as by a Canadian citizen; and a title to real and personal property of every description may be derived through, from or in succession to a person who is not a Canadian citizen in the same manner in all respects as through, from or in succession to a Canadian citizen.

The only change in clause 33 in the old act is to change the word "aliens" to "persons not citizens". I am commenting on this clause because it has come to my attention that there have been meetings between federal and provincial officials that were set up after the first ministers' conference to study foreign ownership of land in Canada. In a confidential report it was recommended that the provinces be given the power to deal with non-resident ownership of land. I understand that a number of provinces have written to the federal government requesting that they be given this power, and the federal government has indicated that it is not prepared to move on the problem.

We have in clause 33, the property and citizenship clause, the same intent as the old act, allowing non-citizens to hold land unless that land has been set aside for Canadian citizens only under the terms of an act of the federal parliament. It is on this matter that I want to get clarification from the minister in committee. If the provinces are going to be thwarted in their attempt to regain control of provincial lands from foreign owners or to curtail foreigners from buying up recreational beaches and other prime land, and we have this clause 33, it could lead to very interesting legal interpretations and court cases by non-residents challenging provincial law. There is much danger in this clause, if it is what I think. That is why I want clarification on it from the minister in committee. Other than clause 33 and some of the provisions about qualifications for time and what can be counted as time of residence in Canada in order to qualify for the three-year period for citizenship, we think the bill is basically sound and worthy of support.

It has often been said that a nation can be defined as a group of people who have done great things together in the past and intend to do great things together in the future. No small part of that sense of nationhood, that sense of identity, unity, co-operation and accomplishment is the sense of citizenship. Citizenship gives a person a sense of belonging and participation, especially in regard to the most fundamental democratic right, that of voting. It also gives citizens a sense of obligation—to do their best to promote the well-being of their fellow citizens and their country.

● (1730)

For far too long we have had an identity crisis in Canada. We are not quite sure what it is to say, "I am a Canadian." Indeed, in the past many of the forms we have had to fill out in various areas of life have labelled us as British subjects or have said that our national origin had to be something other than Canadian. As we move toward this new Citizenship Act and the new concept of citizenship that is within it, we will find that there will result a greater realization of Canadian identity.

[Mr. Symes.]

For anyone who wants to experience what it means to be a Canadian, they should visit a citizenship court and watch the ceremony whereby new Canadians are finally recognized as citizens. I cannot think of a more impressive and moving ceremony than watching people from all lands throughout the world who qualify as Canadians standing to take the oath of allegiance and receiving their certificate as full fledged citizens of Canada. It is a most impressive sight, one I have witnessed on many occasions, and I commend it to all native-born Canadians.

In conclusion, we welcome Bill C-20 for its reform aspects. Except for clause 33, we think it is a good bill and we will promote its speedy passage through this parliament.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I was highly interested by the minister's presentation, and the amendments proposed in Bill C-20. Amendments bringing the Act into line with this country's image are long overdue. The minister briefly outlined the history of our citizenship law, starting from the old Naturalization Act dating back to 1881. In 1914, Parliament passed the first Canadian Citizenship Act proper.

In 1946 came the new act as we now know it. It dropped the words "British Dominion". Although improved, the 1946 Canadian Citizenship Act was much more representative that the former one, although it still included a number of discrepancies that could no longer remain in 1975. The minister recognizes that privileges are no longer defendable, and we are most satisfied. From now on, Canadian citizenship will be a right for every one wishing to settle or remain in Canada. With the voting of this new Act, Canada will become more adult, more humane and more civilized.

What I was most interested in was the list the Minister gave us of amendments proposed in the bill. He said the bill introduces equality of treatment for women. I am convinced the Canadian people as a whole will thank the Minister for finally dropping such discrimination.

Mr. Speaker, it would be unworthy of the Canadian people if our immigration laws maintained different status for women.

As a second amendment, the Minister referred to the wife's residence where the husband is a Canadian citizen. The wife coming back to Canada would have only one year to wait before obtaining the right to citizenship.

The greatest change brought about by the Minister is with regard to minors, enabling the parent to speak on behalf of his or her minor child. This is quite logical. Equality of status having been declared between man and woman, it was quite normal for minors that they also have the same privilege, having reached the age of 18.

A few years ago, the minimum voting age was lowered to 18 and, in my opinion, this amendment is quite logical. It is quite normal to want to give the status of major to an 18-year-old child, whereas he was recognized as such only when older under former legislation.

With regard to children born in a foreign country, in order for them to become Canadian citizens, be they born in or out of wedlock, it will always be the parent who is

tutor of the child who will be responsible for him and who may ask for him to become a citizen. The same would apply for a Canadian who would have lost his Canadian citizenship outside of Canada and who would come back to Canada.

I have had such cases in the past and came to realize that it is very difficult for a Canadian to regain his Canadian citizenship.

With these amendments and those which I have noted as the Minister spoke as well as those contained in the legislation, this bill is quite acceptable, at least as far as our party is concerned, as well as for all other parties in the House, since that bill was long overdue.

With regard to British subjects, I am happy that the minister should now tell us that the privileges they formerly enjoyed upon arriving in Canada will no longer exist. In the future, they will be treated like all other citizens coming from France, Portugal or elsewhere.

One thing worries me, however. A few years ago, when I sat on the immigration committee, I became aware of the fact that throughout those years, a British subject could live and do business in Canada.

I even knew some who had been in Canada for 20 or 25 years without ever having obtained the right to Canadian citizenship. I have not read the bill clause by clause, but I wonder whether that type of case will still exist, because I fail to understand why a British immigrant who came to Canada to settle down, to live permanently should, under the terms of the old legislation, be free to become a Canadian citizen or remain a British subject. I hope that clause in the new bill will do away with that old privilege.

Finally, I thank the minister once more for having introduced Bill C-20. I trust that when it comes up for study in committee if indicated, it will be amended to make it Canada's very own so that we can say: At long last, we have an act that corresponds to the Canadian spirit. I am confident that all Canadian citizens, present and future, will be happy to be governed by this new Canadian Citizenship Act.

● (1740)

[*English*]

Mr. Jake Epp (Provencher): Mr. Speaker, Bill C-20 has been on the order paper for a number of months, and in rising to speak on it now I should like to point out very clearly that it does contain some good points which I will mention briefly. However, as in any legislation which contains negative points, we should also put those forward. I think it is incumbent on members of the opposition to bring those points forward in order that the debate can range over all parts of the bill and everything the bill encompasses can be brought to the public awareness, particularly the implications of the legislation.

There are several positive points in the bill to which reference has been made by most speakers. This is another case of the government presenting an omnibus bill, this one on citizenship, in order to get around other less palatable positions, therefore advancing the argument the government has used before, that if we are against certain parts or clauses, we must be against the whole thing and we are either reactionary, antediluvian or anti-something else—all of which I, personally, cannot accept.

The bill does contain certain positive points; for instance, equal treatment to men and women. For example, if an alien wife or a husband of a Canadian citizen wants to gain citizenship, he or she will be subject to the same waiting time. A father or a mother can apply to have a child registered as a Canadian citizen; the derivation of citizenship can come from either parent. Also, the reduction in the eligibility age for citizenship from 21 to 18 is a positive step, to my mind. I believe this change should have been brought in long before we saw Bill 20.

Mr. Baker (Grenville-Carleton): It should have been brought in under the elections act.

Mr. Epp: That is right, it should have been changed in the elections act. That is the proper place; not the Citizenship Act. This is really doing it after the fact. Having stressed the positive points, I should like to point out a number of things in this bill which do not have my support. Perhaps this big "if" should be put in the middle of my speech because these negative aspects in this omnibus type bill clearly weaken the bill itself. First of all, we should consider the minister who has brought this bill before the House. In my opinion, this minister has a tremendous record of failure. We must also consider the attitude he brings to legislation and his work in the House, which I cannot accept.

Let us look at some of his responsibilities. He brought in the OFY program, which has turned out to be an absolute disaster. This program was taken from his responsibility and placed under the direction of the Department of Manpower and Immigration. What has happened with the CBC and the type of stuff that has been appearing on that network as a result of a so-called humanistic philosophy? In my opinion, the minister's attitude in this regard is simply eroding the principles on which our society is based, yet when you ask questions of the minister or his appointees in the CBC you do not get answers. We are faced with silence or this minister and his appointees say that with our freedom of speech in this democracy we should not discuss such things. I am all for freedom of expression, but when the government uses the taxpayers' money I think it should be responsible for the views it projects.

The minister has been criticized almost as much by members on his own side of the House as those on this side in respect of the *Time* and *Readers' Digest* issue. The minister likes to use the word liberal with a small "l", but let me suggest that we can use the word with a capital "L" in reference to those who are sticking the knife in his back.

What happened to the immigration resettlement program? Earlier it was under the direction of the Secretary of State. That program has also been taken away from this minister. I suggest that was because he was not doing a good job. Yesterday, at the Committee on Labour, Manpower and Immigration, we asked the minister why this program had been put into his department and he replied very clearly that it was in a mess and something had to be done, so he had to take it over. That is the record of this

minister of citizenship. Now he is trying to lecture us on all the wonderful things he is going to do.

It is my belief that the minister and the Prime Minister (Mr. Trudeau) together are putting parts of this bill before Canadian society as another step toward eroding some of the principles that are directly related to many of the people in this country. I say that for a number of reasons which I will bring out in due course.

Immigration and citizenship are tied closely together; you cannot divorce one from the other. The joint committee studying the green paper on immigration has already held hearings in Quebec. A number of witnesses at those hearings, when speaking on various parts of the green paper, stressed the regulations governing citizenship and suggested that immigration and citizenship were inextricably linked. We do not have to go back many years to find that citizenship and immigration were under one department. The best thing that could happen would be for this minister to lose his entire responsibility, with citizenship being brought back to a department along with immigration where it rightfully belongs.

The committee that is now studying immigration will be going to Sudbury tomorrow and British Columbia next week. This government has stated on many occasions it is interested in having a public debate on this paper. It says it wants the opinion of Canadians regarding immigration. We in the opposition accept this idea. We have all seen articles in the newspapers stating that the government has already enunciated certain policies very clearly and that the cabinet has made certain decisions. The minister has said to the committee that this is not the case. Knowing he is a gentleman, I accept his explanation.

● (1750)

Now we have a bill before us which affects a large part of the discussions that are to take place in a public debate. I simply cannot understand why at this stage the government would bring forward this legislation. As far back as February 13, as recorded at page 3187 of *Hansard*, I asked the President of the Privy Council (Mr. Sharp) whether they would hold off Bill C-20 until such time as the public debate on immigration was ended. There is a relatively short time period; by July 31 we are to bring in a report. That is approximately 2½ months from now.

What is the rush now? If the government is sincere in wanting an official debate, surely it could wait until July 31 when the committee, with members from all parties, comes in with a recommendation or report regarding citizenship requirements. Surely that is a legitimate request. Back on February 13 I asked that question of the President of the Privy Council and in his answer he said in part:

I think it would be very useful to have a discussion going on in the House at the same time as the debate is going on regarding immigration, because—and here I agree with the hon. member—they are closely related and I think it would help to offset any idea that our immigration policy is directed against any particular group.

I plead with the government that, after the initial debate in which we are now engaged in this House, they hold off on this bill and give it a six months' hoist until such time as it has the input of Canadians that has been asked for in the green paper. In the matter of the reduction from five years to three years, the minister made much about the fact that five years is arbitrary. It is. But so is three years arbitrary.

Let us look at the qualifications of other countries, because it is my concept that citizenship is a privilege that a sovereign country gives to an individual who has come to that country, just as it is in respect of immigrants who come to this country such as my people and other people who are so-called ethnics—I do not like that term, but I shall use it—who feel that Canada gives them a new home and therefore they want to make a contribution. They do make a contribution and are loyal citizens of Canada, but now they are asking what is happening to this country.

There are certain principles involved. Let us look at the facts in respect of other countries. The residency qualification in the United States is five years. In Britain it is five years. In France it is five years. Belgium has two types of residency requirement. The first is that one can obtain citizenship in three years if one has lived in Belgium before age 14, as a minor; but then it is six years after age 14. What rights does one have? This only gives one working and living privileges; that is all.

Then there is another qualification, that if you want full citizenship rights in Belgium you must have lived there for ten years and must be over age 25. One can then vote in Belgium. This is arbitrary, Mr. Speaker. What about West Germany? Citizenship there is determined by the province in which one resides, but the shortest period of time in which one can obtain citizenship is five years. In other cases the period can be as long as ten years. What about Switzerland? The period there is 12 years and the last six must be consecutive. What about Sweden? The law in Sweden states that the period is seven years but that one can apply after three or four years' residency and then the individual case is judged on its merits.

In Australia, the period is three years. In New Zealand, citizenship is at the discretion of the minister of internal affairs. All cases are judged on their merits. For non-British subjects generally the period is five years, and there is a preference for British subjects. When you get to places like Yugoslavia, the U.S.S.R. and some other iron curtain countries, you can apply for citizenship after you arrive in the country but to get there and obtain a visa is not very easy.

We must remember that Canada is a country which has welcomed immigrants. Last year there were 218,000. There is one country in Europe which already has a one-year residency requirement, The Netherlands; but if one checks the situation and looks at the number of immigrants into that country you find that there is hardly any immigration there. So I wonder at this point whether the question is academic. When the minister appears before this House and says that five years is arbitrary, I say that three years is every bit as arbitrary.

An hon. Member: What is the answer?

Mr. Epp: The answer is that citizenship is worth something and is a privilege that is bestowed on us by a sovereign country. Almost all of us in this country were immigrants at one time and had to go through a five-year period, and if you talk to many of these people they will tell you that they think the five-year period is not a

hardship at all. They ask, why the change? They wonder whether it is simply a compromise in respect of the law concerning British subjects or what is the reason for the government changing the five-year period to three years.

Mr. Speaker, may I call it six o'clock?

Citizenship

Mr. Deputy Speaker: Order, please. It being six o'clock, the House stands adjourned until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

ed3102

HOUSE OF COMMONS

Thursday, May 22, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

SUGGESTED RESCINDING OF GUIDELINES ON HOUSING AND EDUCATION PENDING CONSULTATIONS WITH NATIVE REPRESENTATIVES—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise pursuant to Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the Department of Indian Affairs and Northern Development has recently implemented policy guideline circulars effective April 1, 1975 affecting Indian rights and obligations, in view of the fact that there is evidence that these circulars have been rejected by all elected Indian leaders, and since funding from the department will be cut off to bands not abiding by the guidelines causing substantial apprehension and concern amongst our native peoples, as well as in view of the minister's statement in the House of Commons on May 6, 1975 that if the guidelines create difficulties and problems his department is prepared to change them, I move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That the Minister of Indian Affairs and Northern Development immediately rescind the policy guideline circulars respecting housing and education and immediately convene meetings with elected chiefs and their representative bodies to obtain a consensus on mutually satisfactory guidelines to replace the present unsatisfactory guidelines.

Mr. Speaker: Order, please. This motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

PROPOSED RE-INSTITUTION OF AHOP FUNDING FOR EXISTING HOUSING—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I also rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that banks and other financial institutions have raised the mortgage rate and limited the funds available for mortgages for existing housing, and in view of the fact that CMHC has cut out all funding for existing housing under the Assisted Home Ownership Plan thereby discriminating against moderate income home buyers who are now forced to obtain mortgages at 15 per cent, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That this House instruct the Minister of State for Urban Affairs to re-institute AHOP funding for existing housing.

Mr. Speaker: The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PRIME MINISTER'S OFFICE

REFERENCE TO PHOTOGRAPH IN MAGAZINE "NOUS"—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion arising from the centrefold photograph in the June issue of the magazine *Nous* showing the Prime Minister of Canada and Mrs. Trudeau under the heading "The best dressed couple of the year" in their prize-winning outfits which consist only and entirely of Canada's honoured maple leaf questionably replacing the traditional fig leaf.

I would move, seconded by the hon. member for Winnipeg South Centre (Mr. Mackenzie):

That the House requests the Prime Minister to make an immediate statement as to whether this photographic venture is part of a new government policy of full disclosure and complete revelation that will eventually lead to the uncovering of many hidden things, hopefully including Mr. Michael Pitfield.

● (1410)

ORAL QUESTION PERIOD

[*Translation*]

HEALTH

GOVERNMENT ACTION TO ASSURE PROPER INSPECTION OF MEAT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to put a question to the hon. Minister of National Health and Welfare.

In view of the obvious responsibility which he has under the Food and Drugs Act, can the minister assure the

House that the confusion which exists now in connection with meat inspection in Quebec will not appear in other provinces also, which would have very dangerous implications for the health of Canadians?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. Leader of the Opposition undoubtedly knows, meat inspection is carried out, in some cases, by the Department of Agriculture of Canada, in the case of companies exporting meat outside one province. When the meat is sold exclusively within one province, the inspection is performed by provincial officials, except when the provincial authorities have delegated their responsibility to the federal authority, which is the federal Department of Agriculture. When inspections are done by the provincial authorities, it is of course their duty to enforce the regulations that have been adopted. As regards the responsibility of my department, the Food and Drugs Act contains very clear provisions on that subject, as there are in other acts, like the Criminal Code, for instance, provisions prohibiting certain practices. It is impossible to eliminate prohibited practices completely, but it is possible to make sure that when violations are uncovered immediate action will be taken by the Department of Justice and the Attorneys General of the provinces in order to enforce the law very firmly.

[*English*]

Mr. Stanfield: In view of the fact that it has been known to the minister and his department for more than two years that in Quebec some 300 meat processing outlets were not receiving adequate inspection under either federal or provincial programs, can the minister tell us what steps he took during that period to strengthen surveillance of those facilities by his officers under the Food and Drug Act?

[*Translation*]

Mr. Lalonde: I am afraid that the hon. Leader of the Opposition is ill-informed as regards the responsibilities of my department, of the federal Department of Agriculture and of the provincial Departments of Agriculture. In cases where companies operate within one province only, the responsibility, in the case of Quebec, for instance, rests clearly with the provincial authorities.

As Minister of National Health and Welfare, I am not the one who has the primary responsibility for meat inspection at the slaughterhouses. All I can do is intervene under the provisions of the Food and Drugs Act. My officials are empowered to intervene under the provisions of the Food and Drugs Act whenever there are indications that certain measures should be taken. As for the case in point, it was as a result of steps taken by officials of my department that a police inquiry was held in Quebec concerning certain apparently shady operations, and the results of this inquiry are now in the process of being submitted to the Commission of Inquiry into organized crime in Quebec.

[*English*]

Mr. Stanfield: I take it from what the minister says that despite his knowledge that a large number of plants in the province of Quebec—quite apart from his knowledge of what may be going on in the rest of Canada—were not subjected to adequate inspection despite the Food and Drugs Act that makes it a crime to hold or to market food unfit for consumption, and despite the responsibilities of the minister in connection with that act and the powers given his inspectors under it, the minister did not feel any responsibility in terms of the health of the Canadian people to take any initiative whatsoever to see that in fact inspection did take place and the situation corrected in these 300 or so uninspected meat processing plants?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Lalonde: I am quite interested by the political speech made by the hon. Leader of the Opposition, but I am not at all impressed with his allegations. Two years ago this inquiry was undertaken at the instigation of officials of my department and, at the time, they acted on the basis of hearsay only. There were no specific indications of criminal activities. But as soon as such serious indications did come up, we asked the police authorities concerned to intervene and to take whatever action was necessary; and we have now the results before us today. Furthermore, I feel that I have no apologies to make to the hon. Leader of the Opposition for the work done by my officials in this regard.

[*English*]

REASON FOR FAILURE TO PROSECUTE QUEBEC MERCHANTS SELLING MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my supplementary is to the same minister. The RCMP knew back in 1969 that there was meat unfit for human consumption being sold on the market, and this matter was raised in the Quebec legislature as early as 1966 by the hon. member for Saint-Hyacinthe.

Some hon. Members: Hear, hear!

Mr. McGrath: Why has the minister not carried out the responsibility which is his under the Food and Drugs Act and taken action under that act, because it takes precedence over any provincial legislation?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I certainly was not Minister of National Health and Welfare in 1966, and I surely could find some assertions or allegations made in various places in 1953 and 1942 on this matter. We have to act as a department on the basis of somewhat serious information, and that is what has been done as early as 1973, where there were indications on which we could base our inquiry. It is hard for me to believe that the allegations made by the hon. member for Saint-Hyacinthe were taken seriously in 1966, any more than some others he has made since then.

[*English*]

Mr. McGrath: I regret very much that the minister finds this subject so humorous. I can assure him that the people of Quebec find it less than funny.

Some hon. Members: Hear, hear!

Mr. McGrath: On October 24, as recorded at page 693 of *Hansard,* when the minister covered himself with less than glory the last time there was contaminated meat sold on the market, he gave this undertaking:

—in any case where there is precise proof that meat unfit for human consumption has been sold, proceedings will be instituted under the regulations.

Some hon. Members: Order.

Mr. McGrath: He went on to say:

It will involve not only cases reported by my department's inspectors but also any one which might be spotted by any organization or any person.

Why did the minister not take action under the Food and Drugs Act immediately upon this matter being uncovered in the province of Quebec?

[*Translation*]

Mr. Lalonde: For an excellent reason, Mr. Speaker. It is quite simple, it is because the inquiry initiated by my officials did not provide enough information to enable them to take any legal action against anybody; there were only indications and it was at that time that we got in touch with police authorities to ask them to make a full investigation. When the inquiry now under way, since we are still at the inquiry stage, even though it is a commission of inquiry—when the inquiry is completed, if there is enough evidence to warrant legal action, my colleague, the Minister of Justice and the Minister of Justice of the Province of Quebec will surely be advised of the facts and will take legal action as provided under the law.

[*English*]

Mr. McGrath: Mr. Speaker, it is obvious that the minister is playing constitutional footsie with the government of Quebec.

Some hon. Members: Oh, oh!

SUGGESTED INCREASE IN NUMBER OF MEAT INSPECTORS

Mr. James A. McGrath (St. John's East): In view of the widespread use of this practice of selling contaminated and diseased meat to the public, what is the minister doing now, in accordance with his authority under the statute, to increase the inspection capability under the Food and Drugs Act and to lay charges immediately?

● (1420)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): As I indicated last fall, Mr. Speaker, we have increased the number of inspections under the Food and Drugs Act. My colleague, the hon. Minister of Agriculture (Mr. Whelan), has over 1,200 officials throughout Canada who inspect meat, and the provincial authorities have also several hundreds of inspectors. As to the proceedings to be instituted, as I indicated yesterday, may I refer my hon. colleague to *Hansard* which he should at least make a point to read. An investigation is under way, and we have decided to postpone legal action so as not to cause prejudice to the current investigation. We shall try to get all the facts and, as soon as they are known, the necessary action will be taken.

[*English*]

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. McGrath: Mr. Speaker, this is a very important matter—

Some hon. Members: Order, order.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

* * *

ENERGY

OIL—POSSIBILITY OF CONCURRENCE IN PRICE INCREASE SUGGESTED BY ALBERTA—DATE OF ANNOUNCEMENT OF NEW PRICE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question for the Minister of Energy, Mines and Resources concerns the announcement by provincial energy minister Donald Getty that the Alberta government has set the price for oil at $9 to $10 per barrel subject to negotiations regarding the time period during which this will be implemented. Can the minister tell the House if this is a unilateral decision by the government of Alberta or whether the federal government has concurred and the target price is to be $9 to $10 per barrel subject to negotiation regarding the time frame during which such a price will be put into effect?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I can say there has been no agreement on a specific price with the government of Alberta either for this year or a specific target price in the future. I think it is fair to say there is common ground between the two governments as to moving to a further level of price for oil and natural gas over a period of time by a series of steps, but there has been no agreement either on a price to which we are to move or the level and the steps by which to move there.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question. In view of the fact that the present voluntary agreement of $6.50 per barrel for oil expires at the end of June, and in view of the fact that a great many business concerns and farmers will be interested in knowing what the price is going to be, is the minister now in a position to tell us what the price will be commencing July 1 and what price the government proposes to set? If he cannot tell us today how soon will he be able to announce the price following expiry of the present agreement?

Mr. Macdonald (Rosedale): Mr. Speaker, I have been guided by statements Premier Lougheed has made that he would see no necessity—I hope I quote him correctly—for a price increase on July 1 so long as there were significant discussions taking place on this particular question. I cannot confirm either that there will be an increase on

July 1 or indeed on any specific date. We are seeking to achieve the support, not only of the producing provinces but if possible also of the consuming provinces, for an increase at this time and I hope we can achieve that without further delay but I cannot be specific as to when.

OIL—REQUEST FOR ASSURANCE NO PRICE INCREASE GREATER THAN INCREASE IN COSTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary, Mr. Speaker. In view of the fact that the Minister of Finance is seeking to combat inflation by suggesting that prices should not be allowed to rise unless increased costs warrant an increase and in view of the fact that production costs have not risen materially with respect to oil, can the minister give the House an assurance that following expiry of the present voluntary agreement there will be no increase in the price of oil beyond the present $6.50 per barrel?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot give that assurance. The position taken in the producing areas is that there has been an increase in costs of production and exploration as a result of the general increases in price levels in Canada. We will be seeking to arrive at an agreement on price which we feel is fair both to producing provinces like Saskatchewan and to consuming provinces like Manitoba.

* * *

[*Translation*]

HOUSING

REQUEST FOR ADDITIONAL FUNDS FOR CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the hon. Minister of State for Urban Affairs.

In view of the fact that a number of borrowers have been unable to secure CMHC loans for the apparent reason that the Corporation has spent all its funds for the current year, could the Minister advise the House whether all the funds made available to CMHC for the current year have indeed been spent and, in the affirmative, whether he hopes he will be able to obtain additional funds from Treasury Board, so that this corporation may grant a greater number of loans and help start the building industry rolling again?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, some offices have used up allocations of CMHC, but I encourage the public to continue to pursue applications, as we are working with private lenders to bring in private money which is subsidized by the government. I am encouraging officers of CMHC to continue to accept applications, and we will work with private lenders to make sure that as many people are accommodated as possible.

[Mr. Macdonald (Rosedale).]

[*Translation*]

Mr. Lambert (Bellechasse): A supplementary question, Mr. Speaker. I regret very much that the minister did not answer my question at all. It is all right to say that people may go on submitting applications, it is the easiest thing to do in the world. What is more difficult is to have one's application granted. That is what I want to know. Does the Central Mortgage and Housing Corporation still have funds to answer borrowers' applications in the affirmative?

[*English*]

Mr. Danson: Mr. Speaker, I cannot answer specifically. I can only say that no offices are out of money, and they can continue to receive applications. I cannot anticipate responses in other areas. Naturally, we are pursuing the situation and seeing that as many Canadians are looked after as possible.

[*Translation*]

Mr. Lambert (Bellechasse): A final supplementary question, Mr. Speaker. In view of the utmost importance of the question, I would like to know whether Central Mortgage and Housing Corporation is limited regarding the acceptance of secured loans, that is loans contracted with registered lending institutions, and whether the Corporation is subjected to a limit as regards the acceptance of those secured loans.

[*English*]

Mr. Danson: Mr. Speaker, there is both direct lending and lending from private sources which we subsidize, so that both continue to be available.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the Minister of Labour, if he is in the House.

[*English*]

Mr. Stanfield: He has gone out inspecting the meat.

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POST OFFICE

REQUEST FOR REPORT ON NEGOTIATIONS WITH UNION OF POSTAL WORKERS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Postmaster General. In view of the growing desire being expressed by the majority of postal workers across the country for a fair and equitable contract similar to the one concluded recently with the Letter Carriers Union of Canada, could the Postmaster General inform the House if the collective bargaining process with the Canadian Union of Postal Workers is proceeding on course?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, regretfully, no. I should like to be more optimistic but must be honest with the House. I intend to make a statement either in the House or outside tomorrow. There is no reason in the world why the members of the Canadian Union of Postal Workers should not obtain as good a

contract as the letter carriers obtained. They, I believe, will ratify their contract this evening. If the negotiating team would sit down and bargain in good faith, instead of establishing as their priority the settling of local issues in Montreal, particularly the case of the 39 people who have been disciplined, matters would be helped. I have no intention of backing away from that matter, in return for a settlement.

ALLEGED ILLEGAL ACTIONS OF MEMBERS OF UNION OF POSTAL WORKERS—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. In view of the problem the Postmaster General has outlined and in view of the damage to the Canadian economy, particularly to small businessmen, which is resulting from the so-called sporadic study sessions being encouraged by certain post office union officials—obviously this is not a study in pursuit of the Ph.D. degree meaning post haste delivery.

Mr. Fairweather: What's that?

Mr. Dinsdale: In view of the evidence of violence within the CUPW, as indicated by the vandalism inflicted on the house of the national secretary treasurer recently, what action has the Postmaster General taken to deal with these illegal actions?

● (1430)

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there are several illegal acts to which the hon. member has referred. First, I can understand the frustration of the members who have booked off sick in various regions of the country today because of the slowness of the bargaining procedures. If I, as an intimate friend of the labour movement, had any advice to them, it is to direct their attention to the bargaining team which is not bargaining in good faith rather than upset the economy of the particular regions by walking off the job and hurting innocent victims by what is really an internal problem which the union must learn to solve.

In so far as the damage and the vandalism done to the home of the secretary treasurer of the Canadian Union of Postal Workers, this is unfortunate since he is a very responsible leader who has been associated with that union for seven or eight years. I do not pretend to know who is responsible, other than to say the pattern is very familiar since the same thing happened to five or six supervisors in the Montreal area. Possibly this union leader now understands the turmoil and anguish of the innocent supervisors who simply try to carry out their job and are subject to the same type of harassment. Again, it is the problem of the unions. The 95 per cent who are decent, law-abiding citizens will sooner or later have to stand up and be counted and rid their own house of the 5 per cent who have no place in the legitimate trade union in the first instance.

Some hon. Members: Hear, hear!

[*Translation*]

LABOUR CONDITIONS

CONSULTATION WITH QUEBEC MINISTER ON JURISDICTION ON CONSTRUCTION SITES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Labour.

In order to enhance an orderly and real social climate in Quebec through concrete action, is the minister negotiating with his Quebec counterpart regarding jurisdiction on federal projects in Quebec, such as Mirabel, and is he ready to yield his jurisdiction in the matter? If so, under what conditions?

[*English*]

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker. With reference to that particular problem, I am not in discussion with my colleague from Quebec. I am under the impression he feels that he and his colleagues in the Quebec government can handle the situation.

[*Translation*]

Mr. Wagner: Mr. Speaker, I have a supplementary question for the Minister of Labour.

Is the Minister ready to accept the proposal of an early meeting with Commissioners Cliche, Mulroney and Chevrette, in order to deal with this special matter of jurisdiction on federal projects in Quebec and with the Cliche report as a whole, so as to enable the federal government to get better guidance in seeking the socio-economic leadership which the country needs so much?

[*English*]

Mr. Munro (Hamilton East): Mr. Speaker, inasmuch as I feel that this is very largely, if not entirely, a matter within provincial jurisdiction, which I am sure the hon. member is fully aware of and sensitive to, I feel the initiative would have to come from the province of Quebec with regard to any involvement by the federal government in terms of assistance of any kind.

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PUBLIC SERVICE

BREAKDOWN IN NEGOTIATIONS WITH SHIP REPAIR UNIT—GOVERNMENT POSITION ON PAYMENT OF PREVAILING RATES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the President of the Treasury Board. Is the minister aware of the breakdown in negotiations between the negotiators in his department and the ship repair unit of the Dockyards Trades and Labour Council from Esquimalt on the west coast and Halifax on the east coast, which has been working on a settlement for four months now?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I have no specific statement to make at this time. The procedures provided for settling those disputes are well known. If the parties cannot settle them through negotiations, they can choose between arbitration or conciliation.

[*English*]

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, the minister is obviously not aware that this process has already gone through the conciliation procedure. Since it had been government policy up to the present to offer prevailing rates to these tradesmen and since on this occasion the offer to the ship repair unit of 12 per cent and 8.6 per cent in a two year contract with no COLA clause falls well below the prevailing rates, has Treasury Board changed its policy in order to conform with the consensus formula developed by the Minister of Finance or for some other reason?

[*Translation*]

Mr. Chrétien: Mr. Speaker, as everybody knows, we do not negotiate in the House of Commons; we do so at the negotiation table.

* * *

[*English*]

INDIAN AFFAIRS

COMPLAINTS ABOUT SOCIAL SERVICES IN CALGARY—GOVERNMENT POSITION ON OFFER OF ALBERTA ASSOCIATION OF SOCIAL WORKERS TO CONDUCT INQUIRY

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development concerning complaints Indian people in Calgary have about his department's office in that city. A great many of the complaints these people have centre on the delivery of social services from the Calgary Indian Affairs office. The Alberta Association of Social Workers has offered to conduct an independent inquiry into these complaints, and I would like to know if the minister is willing to let the association go ahead with such an inquiry.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, that particular request is something I will have to consider. As the hon. member is aware, we have agreed to fund this group in Calgary, the Calgary Urban Treaty Alliance, on the condition that there be some assistance as well from the provincial government. We have made this offer to the CUTA group in Calgary.

POSSIBILITY OF MOVING CALGARY OFFICE—GOVERNMENT POSITION

Mr. Wally Firth (Northwest Territories): A supplementary question. Has the minister reconsidered his department's decision to move the Calgary office away from the part of town where most of the Indian people live?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, again this is a matter I will have to look into.

[Mr. Chrétien.]

HUMAN RIGHTS

SUGGESTED PROVISION IN LEGISLATION PROHIBITING REFERENCE TO COUNTRY OF ORIGIN OF ALLEGED CRIMINALS

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is directed to the Minister of Justice. In view of the fact that today's *Globe and Mail* article on the Quebec meat situation cited the country of origin of alleged criminals, will the minister assure the House that his proposed bill on human rights will attack this deplorable practice on the grounds that it is racism, divisive and totally irrelevant to the point in question?

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to take note of the hon. member's comment when looking at the final draft of the bill. Of course, the bill will have certain limitations having regard to the federal as against the provincial jurisdiction and certain other factors which are bound to have a bearing on the decision.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Minister of Justice. Does the minister agree that his colleague's question would be answered if the minister would introduce this bill that has been rolling around for several years?

Mr. Lang: Mr. Speaker, I anticipate having that kind of an answer before very long.

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AGRICULTURE

CANADIAN EGG MARKETING AGENCY—ALLEGATION CERTAIN PROVINCES REFUSE TO SIGN AGREEMENT WITH AGENCY—GOVERNMENT POSITION ON IMPOSITION OF CONTROLS

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. It has been reported that the agreement announced in April to delegate more powers and responsibilities to the Canadian Egg Marketing Agency is deteriorating. What specific action is the minister taking to rectify the situation in light of reports that British Columbia, Alberta and Quebec refuse to sign the agreement giving the Canadian Egg Marketing Agency the powers the minister feels are needed in order to operate the plan? Also, Ontario has agreed to sign, but has attached some very strict conditions to that signing.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the report I have from the egg marketing boards within the provinces is that some of them have placed certain riders on the agreement. These riders or clauses they have added to the agreement are being studied and will be reported to me as soon as a final opinion is made as to how they affect the agreement. Some provinces have signed the agreement in its original form. I disagree with the hon. member that the agency is about to fall apart. If they have ever been closer to running a proper program, I do not know when it has been.

Mr. Murta: It has been stated by the Ontario section of the egg marketing board that Ontario will rescind their agreement and pull out by September 1 if some form of controls has not been introduced into the egg situation in Canada. Is the government moving in this direction? If so, in what respect is there a move towards having some kind of control over the egg situation?

Mr. Whelan: Mr. Speaker, we must remember first and foremost that this is a producer group trying to work together, working through their provincial marketing boards. They are working in conjunction with CEMA to try to develop an effective plan. I have no way of knowing whether some are trying to pull out. It is in their interests to make this plan work and if more of them pull out the less chance it has of succeeding.

● (1440)

SUGGESTION IMPORT CONTROLS OFFERED CONDITIONAL UPON SIGNING AGREEMENT WITH CANADIAN EGG MARKETING AGENCY

Mr. Bill Jarvis (Perth-Wilmot): Statements before previous CEMA hearings indicate that two of the minister's predecessors promised quick implementation of import controls as an inducement for provinces to join an egg marketing plan. Can the minister tell us whether it is now government policy to offer import controls on the condition that the CEMA agreement be signed and ratified first, and if so does he view this as a reversal of government policy and a contributing factor of opposition to the agreement by the majority of the provinces?

Hon. E. F. Whelan (Minister of Agriculture): I am amazed that the hon. member, who I believe is familiar with the laws of the land, since he is a lawyer, should suggest that this was being held up as a carrot. He knows as well as I do that if the supply-management program is in order one does not get into difficulty with one's trading partners, and it is up to the producers to look after this themselves if they want to make the plan work.

NATIONAL FARM PRODUCTS MARKETING COUNCIL—DATE OF ANNOUNCEMENT OF CONSUMER REPRESENTATIVES

Mr. Bill Jarvis (Perth-Wilmot): I am sorry if the minister misunderstood or chose to misinterpret my question. Before the CEMA inquiry, as well as later, he promised an announcement concerning the appointment of consumer representatives to the National Farm Products Marketing Council. Is the hon. gentleman now is a position to inform the House when such an announcement will be made?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker, because I want to make sure that if we have a council it will have something to manage.

IMMIGRATION

NEED FOR FARM WORKERS IN NOVA SCOTIA—GOVERNMENT ACTION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In his absence, I will direct it to the parliamentary secretary or to the acting minister. I believe the minister is a just man and that my difficulties with his department can be resolved. My question arises from the fact that farmers in central Nova Scotia, who have been able to employ up to 14 Dutch farm workers in the past two years, will, this year, have none. Would the hon. gentleman plough through the red tape to achieve justice?

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ENERGY

PROPOSED ENRICHED URANIUM PLANT IN QUEBEC—PREFEASIBILITY STUDY BY SERU—REQUEST FOR STATEMENT OF GOVERNMENT'S POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Would the hon. gentleman tell us whether he has received a copy of the recently completed "prefeasibility study" into an enriched uranium plant in the James Bay area which was conducted by SERU, and the James Bay Development Corporation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker, I have not received a copy.

Miss MacDonald (Kingston and the Islands): Given the implications of the study for the federal government which has control over the export of uranium and nuclear technology, does the minister intend to ask for a copy of this study and will he undertake to make a statement setting out the government's position regarding it, bearing in mind that enriched uranium cannot be utilized in Canada?

Mr. Macdonald (Rosedale): I would certainly be very interested in seeing this study and if it provides a basis for a useful statement I will be glad to make one.

OIL—POSSIBLE PRICE INCREASE BY OPEC COUNTRIES—GOVERNMENT ACTION TO PROTECT ATLANTIC PROVINCES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Does he now have definite information that it is the intention of the OPEC countries to further increase the world price of oil and, if so, what contingency plans has the government prepared in order to cope with such an eventuality in the light of the fact that the Atlantic provinces will be dependent on offshore oil producers for some time into the future?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As the hon. gentleman knows, the compensation program has, in the past, protected the Atlantic provinces from the effects of this kind of increase and it

will continue to do so. There is to be a meeting of the international energy agency next week at which I will be present; there will be an opportunity to discuss the prospects of an increase at that time and the possible implications for member countries.

Mr. MacLean: Do I understand the minister as meaning that if the world price of oil is increased, government measures will be effective in preventing such an increase from affecting the Atlantic provinces?

Mr. Macdonald (Rosedale): Consumers in the Atlantic provinces would be protected under the arrangement for a single price for all Canadians; they have been protected so far by this kind of subvention and it would continue to be applicable, ensuring protection from increases above the single price across Canada which might occur from time to time.

* * *

INDUSTRY

WHITBY TIRE COMPANY—LAY-OFF OF EMPLOYEES—GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce. Has the minister's attention been drawn to the announcement by the Whitby Tire Company, purchased by Firestone from Dunlop a year ago—at which time they announced they intended to increase the work force by between 250 and 300 workers—that half the work force, some 290 workers, are to be laid off for an indefinite period? Has the minister's attention been drawn to this matter and, if so, what action has he taken?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): As hon. members know, I have just returned from a trip outside the country on trade business—this is the first time this matter has come to my attention. I will look into it.

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FINANCE

ALLEGATION BY WHITBY TIRE COMPANY EMPLOYEES LAY-OFF CAUSED BY REDUCTION OF TARIFF ON IMPORTED TIRES

Mr. David Orlikow (Winnipeg North): Might I direct a supplementary question to the Minister of Finance and ask him whether, at the same time as his colleague is looking into this question, he will examine the claim of the union that the reason for the lay-offs is not the slowdown in production of automobiles but the reduction in the tariff from 17½ per cent to 12 per cent which has meant an increase in the importation of tires from the United States from 650,000 to almost 5.5 million in four years.

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, I will look into that.

[Mr. Macdonald (Rosedale).]

[*Translation*]

HEALTH

POSSIBILITY OF PROGRAM RELATED TO ABUSE OF DRUGS FOR ALCOHOLICS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

A few months ago, the press indicated that the federal government had approved a program on drug abuse, such as drugs prescribed to alcoholics. Can the minister tell us whether such a program exists and to what extent it is being implemented?

Hon. Marc Lalonde (Minister of National Health and Welfare): To my knowledge, Mr. Speaker, no such program exists. However, I should like to study the hon. member's question in detail to see if I did not miss part of it, but I doubt that such a specific program exists as mentioned in the hon. member's question.

* * *

[*English*]

EXTERNAL AFFAIRS

GOVERNMENT ACTION WITH REGARD TO STATEMENT BY HIGH COMMISSIONER FOR JAMAICA CONCERNING TORONTO POLICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, before I ask this question I should like to inquire of the President of the Privy Council, as leader of the House, whether the Prime Minister will be here before orders of the day are concluded, or whether he will be here today at all.

Hon. Mitchell Sharp (President of the Privy Council): The Prime Minister will be here for government orders. I cannot be sure whether he will be here before that time.

Mr. Diefenbaker: This question arises out of a matter I brought before the House the day before yesterday in connection with the dastardly attack which was made on the administration of justice by the High Commissioner for Jamaica. If ever there was a racist statement, there was one when he stated: "I am extremely dissatisfied with the administration of justice when there are clashes between my people and the police". That statement is incapable of any other interpretation but that there is one law for people of one colour and a different law for those of another. That is not Canadian in any way and it is a statement which ought not to have been made.

I put this question the day before yesterday to the Prime Minister. He had not heard about this matter. No answer was given yesterday in the House. Imagine my surprise—not my surprise, really, because apparently it has become a way of life—when the subject was referred to in the press yesterday instead of being answered in the House. Possibly we could get an answer now from the Secretary of State for External Affairs. It is an issue of consequence and one which will cause a great deal of damage throughout the Caribbean to the reputation of Canada for respecting the equality of all, regardless of colour.

● (1450)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as the right hon. gentleman has mentioned, I understand that the High Commissioner for Jamaica may have made an unfortunate allegation—

Mr. Diefenbaker: Worse than that.

Mr. MacEachen: —while he was in Toronto to attend the funeral of a 15 year old Jamaican boy who had been shot while crossing a shopping mall. The officers of my department have spoken to the High Commissioner about this incident and have assured him that the Toronto police force is a competent, humane and efficient body. I am sure the High Commissioner has understood what has been conveyed to him, and I am quite sure that he, as an experienced representative in this country, understood fully the reasons for which he was spoken to on this matter.

Mr. Diefenbaker: Mr. Speaker, that answer is totally inadequate. Some official in External Affairs has spoken to the High Commissioner. He is an intelligent and an able man and that statement should be condemned by the minister and by the Prime Minister as something unworthy of anyone holding a diplomatic post here, particularly because it is one that, by reason of the country he represents, could not but have very difficult and strong reactions. Will the minister himself make it clear that this kind of thing is unjustified, instead of having some underling whisper to the High Commissioner?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: No answer?

Mr. MacEachen: It was a speech, not a question.

Mr. Diefenbaker: Mr. Speaker, I ask the minister whether he will personally bring to the attention of the High Commissioner the totally unjustifiable nature of a statement like that which cannot but add fuel to the fires of difficulty between races which are bound to arise? I have every sympathy for that boy who was killed, and his parents, but that is no justification for the statement that our law in this country denies fairness, and it is also no justification for an attack on those who cannot defend themselves, namely, the chief and the members of the Toronto police force.

Mr. MacEachen: Mr. Speaker, I still find it difficult to detect a question in that representation by the right hon. gentleman.

Mr. Diefenbaker: Some more diffusion.

Mr. MacEachen: I can tell him that I have personally been in touch with the High Commissioner.

Mr. Diefenbaker: Why didn't you tell us?

Mr. MacEachen: I was in touch with the High Commissioner on this general subject some days ago, and in respect of this particualr incident my officials have spoken to the High Commissioner.

Mr. Diefenbaker: Why not the minister?

Mr. MacEachen: Mr. Speaker, I will reserve the right to choose my own language rather than use the usual inflammatory language used by the right hon. gentleman.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, we now realize that with this minister nice, soft words are to be used always as was the case in respect of North Viet Nam and U.S. relations.

Mr. MacEachen: Mr. Speaker, I was tempted to say that the use of the kind of expression the right hon. gentleman suggests is probably why Canadian foreign relations were in such tatters in the days after he was Prime Minister of Canada.

Mr. Diefenbaker: Canada's foreign relations are lower today than they ever were.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION ADVERTISING CONTRACT AWARDED TO FRIEND OF SOLICITOR GENERAL—GOVERNMENT ACTION ON RECOMMENDATIONS ADVERTISING CONTRACTS BE FREE OF PATRONAGE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I intended to direct my question to the Prime Minister because of his interest in the philosophy of purity in politics, but perhaps I should direct it to the Acting Prime Minister. I would ask, to use some of the words of the Secretary of State for External Affairs, about certain transgressions, perhaps, of other administrations. Does not the Acting Prime Minister, who is the President of the Privy Council and the government House leader, believe that Canada's national police force, the RCMP, stands higher and with more integrity and character than one to become just the personal fiefdom of the minister responsible for the RCMP? I refer specifically to the advertising contract awarded to a personal friend of the Solicitor General without tender, namely, a firm that was formed for that purpose? Can the Acting Prime Minister give any explanation of the reason the RCMP should be subjected to this type of petty patronage and not be beyond any taint of patronage?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I, of course, deny the implications in the question. The Solicitor General is one of the most sensitive ministers in this House with regard to the RCMP. He defends it and he understands his position in relation to it. However, I know that he would like to answer the question directly on Monday.

Mr. Nowlan: Mr. Speaker, I will look forward to any answer from the Solicitor General, who I have said publicly is doing a very good job which makes it much more shocking that this type of patronage is going on. Since the Royal Commission on Government Organization in 1962, and that gets us back to the time when the House leader was Secretary of State for External Affairs, recommended that patronage should be kept out of the advertising busi-

ness, which recommendation was repeated by the eminent survey of the Task Force on Government Information carried out by Tom Ford and other notables, in 1969. They both recommended that patronage should be kept out of advertising. Could the Acting Prime Minister, the government House leader, with his vast knowledge of government apparatus, tell this House now which one of the six recommendations of the task force report on advertising contracts has been implemented by this government?

Mr. Sharp: Mr. Speaker, I cannot recall specifically the six particular principles that are included in that report, but the hon. gentleman does know that it is very difficult to ask for tenders on advertising, and one must make a selection of advertising agencies. While I am quite sure that whatever government is in office tends to favour those who are friendly to it, nevertheless, I believe this government in its dealings with advertising agencies has received very good value for its money.

An hon. Member: And vice versa.

Mr. Nowlan: Mr. Speaker, I am the first to appreciate political realities and that you help your friends sometimes ahead of those you do not know, but does the Acting Prime Minister not believe, or can he not say to this House that when it comes to the national police force, the RCMP, that body should be beyond any taint or suspicion of petty political patronage, and that in respect of any contract of any size the agency should be awarded the contract on a free and open tender basis?

Mr. Sharp: Mr. Speaker, it is very seldom I can answer with an unqualified yes to a question. In this case, yes, I believe that is so. The RCMP is and should be beyond any political taint.

Mr. Nowlan: Why wasn't there a tender then?

ROUTINE PROCEEDINGS

[*Translation*]

VETERANS AFFAIRS

Sixth report of Standing Committee on Veterans Affairs, in both official languages—Mr. Boulanger.

[*Editor's note: For text of above report, see today's Votes and Proceedings.*]

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[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader about the business for the rest of this week and next week. Can he advise the House at this time whether in addition to the eight opposition days next month he will be setting aside time for the budget debate?

Mr. Sharp: Mr. Speaker, the program I would put before the House is as follows. Today, of course, is one of the allotted days, and tomorrow is another. I hope the opposition House leader will give me some indication soon of the item he intends to call tomorrow, or whether there is to be a motion of any kind. Also, Tuesday and Wednesday of next week I would designate as allotted days.

On Monday I will ask the House to resume consideration of Bill C-58 in respect of *Time* and *Reader's Digest*. After the allotted days, on Thursday I should like to call the bill on the status of women, Bill C-16. If by any chance we dispose of any of those items during a day, I have in reserve Bill C-57, and Bill C-37 on ocean dumping.

● (1500)

Mr. Hees: I rise on a point of order, Mr. Speaker, on the question of House business. Since the Minister of Finance announced at the beginning of this week that he would be announcing the date of his budget by the end of the week, and since that time is almost upon us, has he that announcement now? Is it June 23, as announced in an Ottawa newspaper this afternoon?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it is not the end of the week yet.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I put a question to the government House leader in respect of House business? It has been indicated several times that a bill in the name of the Minister of National Health and Welfare to amend the Old Age Security Act would be presented and dealt with in time so that some of its provisions could be in effect by October. In view of the fact there is talk about the House recessing for the summer, and since that makes it necessary for this bill to be dealt with and passed by the end of June, could we have a firm assurance as to when we will see this legislation?

Mr. Sharp: Mr. Speaker, it has now been approved by cabinet and I intend putting it on the order paper immediately.

Mr. Horner: On a point of order, Mr. Speaker, I should like to draw to your attention and the attention of the House the fact that members of your staff acquitted themselves very admirably last evening in a ball game on the Hill, defeating the fourth estate in spite of the fact that they still have their winter uniforms and had to play under that handicap.

Mr. Speaker: In response to the latter part of the hon. member's point of order, may I say I have been waiting for some time for an opportunity to mention that one step I have taken rather unilaterally, and which I now report to hon. members, is that the constables who so very dutifully serve all of us in the House of Commons will, in a matter of very few days, be attired in appropriate summer uniforms.

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker, I have a brief point of order. If the House is to consider today the expenses of the Prime Minister's office and the Privy Council office, and we have been unable to question Mr. Michael Pitfield either in committee or elsewhere, will the Prime Minister assure the House that he will stay here for the entire day to be available to answer questions on this matter?

Mr. Speaker: Order, please. That question was raised during the question period.

* * *

[*Translation*]

TRANSPORT

TABLING OF MAJORITY AND MINORITY REPORTS ON BILINGUALISM IN AIR TO GROUND COMMUNICATIONS

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, pursuant to the provisions of Standing Order 41(2), I wish to table copies in both official languages of the majority and minority reports on bilingualism in air-ground communications.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,060, 2,200 and 2,291.

If question No. 2,178 could be made an order for return, this return would be tabled immediately.

I ask that the remaining questions be allowed to stand.

[*Text*]

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION—PARLIAMENTARY RETURNS OFFICE

Question No. 2,060—**Mr. Clark (Rocky Mountain):**

In the last fiscal year, what was the cost of operation of the Parliamentary Returns Office of the Department of Regional Economic Expansion?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Regional Economic Expansion): The Parliamentary Returns Office is not a separate entity but operates as a unit within the Departmental Secretariat which reports to the Deputy Minister. It is not possible to separate the cost for Parliamentary Returns work from the overall operating costs of the Secretariat.

ARCTIC WATERS POLLUTION PREVENTION ACT

Question No. 2,200—**Mr. Clark (Rocky Mountain):**

With reference to the Arctic Waters Pollution Prevention Act, as of March 15, 1975 (a) how many persons were employed as pollution prevention officers (b) where was each located or stationed (c) what was the (i) highest (ii) lowest salary paid to such officers?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): (a) Six. However, it should be noted that there are no Pollution Prevention officers per se. The responsibilities have merely been added to the duties that these officials already have. Consequently, the designation did not involve the creation of any new or separate positions: (b) Four, Yellowknife, NorthWest Territories; two, Whitehorse, Yukon Territory. (c) (i) $29,500. (ii) $21,000.

AUDITOR GENERAL

Question No. 2,291—**Mr. Gauthier (Roberval):**

1. What is the Auditor General's annual salary?

2. In the Auditor General's Office, how many employees receive a salary (a) over $50,000 (b) from $45,000 to $50,000 (c) from $40,000 to $45,000 (d) from $35,000 to $40,000 (e) from $30,000 to $35,000 (f) from $25,000 to $30,000 (g) from $20,000 to $25,000 (h) from $15,000 to $20,000 (i) from $10,000 to $15,000 (j) under $10,000?

Hon. John N. Turner (Minister of Finance): 1. $40,000 to $45,000.

2. (a) nil, (b) nil, (c) 1, (d) 1, (e) 4, (f) 19, (g) 41, (h) 112, (i) 77, (j) 48.

* * *

QUESTION PASSED AS ORDER FOR RETURN

CHEMICAL DISPERSANTS

Question No. 2,178—**Mr. Clark (Rocky Mountain):**

1. As of March 15, 1975 (a) what chemical dispersants were in the possession of the (i) Department of the Environment (ii) Department of Transport (iii) any other government agency or department to combat oil spills in the Great Lakes or off the coasts of Canada (b) what was the quantity of each such dispersant?

2. In the case of each chemical dispersant possessed by the government to combat off-shore oil spills (a) in what location (b) under what specific conditions was each tested (c) what was the result of each such test?

3. In each case where a chemical dispersant possessed by the government to combat off-shore oil spills was not tested in actual sea or Great Lakes conditions, off-shore, what was the reason for not testing in actual conditions off-shore?

Return tabled.

Mr. Cossitt: Mr. Speaker, I wish to refer to five questions standing in my name on the order paper since last September 30. They are the five questions that have stood longest on the order paper, namely, No. 28, No. 32, No. 62, No. 64 and No. 69. Several of these were on the order paper during the last parliament. Two of them, namely, No. 32 and No. 69, have been on the order paper now, without an answer, for approaching a year. They ask about the use of government aircraft by the Prime Minister. They are very simple questions, such as the amount of flying time, what aircraft were used to go to the Ontario annual meeting of the Liberal Party in Sudbury, and other basically simple things such as the cost per hour.

These questions have not been answered. I assume the reason is that the questions also carry with them a subquestion asking for the names of those on the passenger

list of the aircraft. I think that to take a year to answer these questions is totally out of order. I believe the Prime Minister, certainly, with all the staff he has in his office which increases almost every day, should be prepared to guarantee to this House that someone will get down to business and answer the questions. If he has a staff of 400 or 500 people, I suggest they should do a day's work.

Mr. Speaker: Order, please.

Mr. Stevens: Mr. Speaker, I rise on a point of order. Before you give your ruling on a matter raised by the hon. member for York Centre yesterday as a question of privilege, I should like to make a suggestion for the consideration of the House. The motion by the hon. member for York Centre incorporates, by reference, the matter raised by myself as a question of privilege on Tuesday, May 20, which itself contained a motion, although the hon. member referred to only part of my complaint of the previous sitting.

You ruled, Mr. Speaker, that in line with the precedents you had no jurisdiction in the matter and that it should be settled in the committee in which it arose. Although the member for York Centre and I are in dispute, I agree with him that our complaints, antagonistic though they may be, are of such importance to the member for York Centre and myself, and to the procedure and proceedings of all committees of the House, that they should properly be referred to and settled by the committee that is the proper forum for hearing and settling grievances and complaints which arise in committees including the finance committee.

Not only is the committee to which I refer not a party to the dispute, but its findings and recommendations can achieve uniformity of procedure in committees. At the appropriate time in these proceedings, Mr. Speaker, with your instruction and the consent of the House I would be prepared to move that the subject matter of my complaint of Tuesday, May 20, and that of the hon. member for York Centre of Wednesday, May 21, and further procedural moves attempted today by government members on the committee, be referred to the Standing Committee on Privilege and Elections.

Mr. Speaker: Order, please. The question of privilege that the hon. member for York-Simcoe has put forward, followed in turn by the second question of privilege by the hon. member for York Centre, raised very serious questions about the relationship between proceedings in the committee and the Chair and, furthermore, between the opportunity to review the proceedings in committee and in turn the suggestion that the proceedings of one standing committee be reviewed by another one. Also raised are questions about the propriety of the remarks by the hon. member for York-Simcoe concerning the conduct of the hon. member for York Centre.

All this has caused me considerable concern, and with the indulgence of the House I would propose to consider this matter until next Monday at 3 p.m., at which time I shall try to have a definitive ruling covering all the matters which have been raised.

Orders of the day.

[Mr. Cossitt.]

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58

House in committee of supply to consider certain items of the estimates for the year ending March 31, 1976, pursuant to the provisions of Standing Order 58 (9)—Mr. Laniel in the chair.

PRIVY COUNCIL

Resolved that a sum not exceeding $18,484,200 be granted to Her Majesty for the fiscal year ending March 31, 1976 (less the amount voted in interim supply) as follows:

Vote 1—Privy Council—Program expenditures, including maintenance and operation of the Prime Minister's residence; the payment to each member of the Queen's Privy Council for Canada who is a Minister without Portfolio or a Minister of State who does not preside over a Ministry of State of a salary of $7,500 per annum and pro rata for any period less than a year, the grants listed in the Estimates and contributions—$18,484,200

Right Hon. P. E. Trudeau (Prime Minister): Mr. Chairman, contrary to what my hon. friends opposite may think, I am rather pleased to take part this afternoon in the examination of my estimates. I have just been told that it is the first time in over 12 years that a prime minister is called upon to justify his estimates, and I am very glad to have this opportunity to make a few remarks and reply to the questions from the opposition.

I think the right hon. member for Prince Albert (Mr. Diefenbaker) was the last prime minister to be granted this favour, and I expect that there will be this afternoon a very interesting and important exchange of views.

The hon. member for Leeds (Mr. Cossitt) seems worried—

An hon. Member: He is not even here.

Mr. Trudeau: —which is understandable, because I am supposed to make a speech tonight in a riding next to his, and I am under the impression that he is afraid of the opportunity the people in this area will have to see what a real parliamentarian is, compared to the hon. member for Leeds—

The truth of the matter Mr. Chairman, is that, regretfully, I cannot stay here all day.

● (1510)

[*English*]

Mr. Baldwin: There will be other days.

[*Translation*]

Mr. Trudeau: I knew only yesterday that my presence here today was desired. I had for a long time accepted obligations, not only here in Ottawa, but also in other places in Ontario and Quebec. Unfortunately, I must keep up to these obligations.

The hon. member for Rivière-à-la-Paix is saying that there will be other days—

An hon. Member: Peace River!

Mr. Trudeau: The hon. member for Rivière-à-la-Paix is saying that there will be other days; no doubt there will be some, and I hope the hon. member will have other opportunities to question me. However, I must say that as far as this series of estimates is concerned, it was a matter of being here today or never, because as the House is no doubt aware, there are some questions of international importance which must be discussed relating to the precarious state of the world economy as well as matters related to defense which compel me to be in Brussels next week for those discussions. I must also spend a few hours in Denmark to discuss the problems related to contractual ties and a few hours also for discussions in Luxembourg.

Unfortunately, and I apologize to the House, it was necessary for me to be here today, at least for some time. I can assure the hon. members opposite that the Acting Prime Minister, the House leader, will be present. The officials needed to provide information will be here too.

I also seize opportunity to thank my hon. friend, the House Leader, for having gone to bat for me on many instances, while he was responsible of two very important departments.

[*English*]

An hon. Member: Why don't you send him, and stick around yourself?

[*Translation*]

Mr. Trudeau: Mr. Chairman, I am somewhat curious to know what exactly opposition members want to discuss today. I offered to let them launch the debate, thinking that would perhaps give me the opportunity of replying to some of their accusations before leaving later in the day, but they waived that privilege and asked me to open the debate, which I am pleased to do.

However I am a little bit in the dark as to the subjects that I should tackle. In any event, I shall at least touch on three or four, on some of the aspects of the Privy Council administration that seem to worry them. First, I shall deal with the presence of the Prime Minister in the House and in committees. Second, I shall discuss the matter of secrecy, since it seems to have concerned hon. members opposite a good deal. And third, I should like to talk about the expenditures, their size and, what I consider more important, the reason why such expenses appear in the estimates.

[*English*]

First, on the presence of the leader of the government in parliament, I repeat that when parliament asks one of its members to be present it is his duty to be present in so far as it is possible for him to make himself available, and I have done my utmost today to free as much time as possible in view of the very short notice I had, under these experimental rules, that I would be called upon to appear today. I think that traditionally parliament has been rather gracious in its use of the privilege of asking the Prime Minister to appear before it. As I was saying, the practice goes back more than a dozen years that the Prime Minister has had to appear before parliament with regard to his estimates. Certainly, that is the top priority and I am happy to be here to answer whatever questions I will have time to answer.

However, I want to remind the committee that I am in the House every day during the question period and I answer questions on the order paper. I have learned that since the beginning of this session some 7½ months ago, I have signed more than 100 replies to questions on the order paper; I have attempted to answer 524 oral questions in the House during the question period; and I have been here whenever questions or debates of national importance have arisen, when they have not conflicted with other important engagements, of which the House was always made aware.

The matter of my appearance before a standing committee is another matter. I am informed that it has never happened in modern times, certainly in more than a quarter of a century—I have not gone further back than that—that a prime minister has been forced to appear before a standing committee of parliament. Indeed, last year my colleague the hon. member for Sarnia, a member of my own party, asked me to appear before a standing committee and I answered him by letter, which was made public, in which I gave the reasons I did not want to break that long-standing tradition.

Certainly, members of parliament are absolutely justified in wanting to ask questions about spending in the PCO or the PMO. I have followed the practice of making available to the committee officials who could give all the facts, and indeed have given all the facts that have been asked of them. Parliamentarians, either the House leader or his excellent parliamentary secretary, have followed the practice of standing in for the Prime Minister. I repeat that this has been the practice throughout this modern period in parliament. As I said the other day, apart from being a traditionalist on this, I see no good reason to break that tradition, if only for the reason that answers can be given and have been given, apart—I repeat—from the very detailed answers that I give to written questions, a procedure whereby members of the House and the public can learn of every fine detail such as the price of every kitchen utensil or ashtray that was purchased for 24 Sussex Drive or for my office here.

Therefore, it cannot be a question of getting to know the facts: members can know the facts. If there is more that they want to know, the House leader will be here this afternoon, and so will officials, to answer questions and we will make sure that the questions that are asked by any member of the House will be properly answered. Questions of policy are obviously another matter, and it is quite clear that government officials should not be asked to answer policy questions. As long as we have a parliamentary system with responsible government, we on this side of the House will not permit officials to stand in for ministers just to satisfy the curiosity of some hon. members opposite, so far as I am able.

● (1520)

This matter deals with a question of factual information which the House would want to know as a result of my estimates. I would merely, now, deal briefly with the question of secrecy. This is perhaps not the time to speak at any length on that. I just want to remind the House that in an attempt to circumscribe the concern of the government about the need for certain working documents to be kept secret and not made public, a few years ago we

established a series of guidelines. They were presented to this House under the title "Guidelines for Notices of Motions for Production of Papers", but they applied to the general question of secrecy. These guidelines were originally tabled by the present Secretary of State for External Affairs, who was then the House leader, on March 15, 1973—more than two years ago. They are appendix B to the debates of March 15, 1973.

Two weeks later, the guidelines were referred to the Joint Committee on Regulations and other Statutory Instruments, and I must say that no action was ever taken by that committee to come to grips with these guidelines, to show possibly how they could be improved and made compatible with as open a government as possible. But once again, in a system of parliamentary responsibility, the guidelines were tabled in this parliament in December and on the same day they were referred to the same joint committee. There have already been a few witnesses appear before that committee. I want to say that this government is anxiously awaiting the results of the report of that standing committee, because it is possible that it would be able to improve the guidelines without deterring from the very basic need of the parliamentary system, of having officials in the position where they can advise their ministers without the danger of that advice becoming completely public—a situation which experience has proved only results in the officials being extremely cautious and perhaps less than candid in tendering advice. We want the best possible advice from the officials, and in order to receive it they must be protected from public scrutiny of their every opinion.

The next point I would like to deal with—I realize I should not go into great detail here because the committee will want to have some time to ask questions—is the size of my estimates, the amount of spending generally by the Prime Minister and his office, and in the Privy Council. There would be two categories of questions under this heading. The first, I suppose, comes under the category of chandeliers and ashtrays.

An hon. Member: And swimming pools. Tell us about that.

Mr. Trudeau: And swimming pools. I do not think it is a matter of policy. It is perhaps a matter of debate and curiosity, but the facts are known. Judgments can be made. I will deal with it very briefly and I hope some time will be left for the most fundamental question, that of these expenditures and what functions they are intended to permit the operation of. I would not even bother if merely the hon. member for Leeds or perhaps the hon. member for Rocky Mountain were curious about this; but I was somewhat disappointed that the right hon. gentleman for Prince Albert made it the subject matter of a speech he made on April 30, after his long absence, when he returned to the House and naturally had many things to say. He used part of his speech to comment on what I call the "chandelier" category of spending. The right hon. member for Prince Albert was predicting what my salary will be in ten years at the present rate of inflation. I thank him for the confidence he has shown in me—

Some hon. Members: Hear, hear!

[Mr. Trudeau.]

Mr. Trudeau: —and particularly for shedding some light on the opinion he holds of the present leader and future leaders of his party.

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Chairman, it is only a question of time, but I realize that time is running into May and running out on the Prime Minister. I do not want to cut him off under the 15-minute rule, but particularly since his time in the committee will be limited I hope he will be as brief as he can.

Mr. Trudeau: I thank the hon. member for drawing the time to my attention, but I did point out at the outset that I had offered to speak after a member of his party so that I would know exactly to what subject I was expected to address myself. They deferred and asked me to speak first, for which reason I am trying to cover a variety of subjects, and naturally that takes a bit more time.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am sure it is just by accident that the Leader of the Opposition rose at the precise moment I was going to quote from the speech of the right hon. member for Prince Albert. I will go back to that and read from *Hansard* of April 30 at page 5344:

> Let me go back to the days when I was Prime Minister. We had to pay $5,000 a year rent for 24 Sussex Drive; that is to say, Mr. St. Laurent did, I did when I followed him, and Mr. Pearson did after me. This rental payment has been done away with.

I suggest that is a rather unfair comment. Perhaps he forgot, but the right hon. gentleman certainly knows that this rental payment was abolished by an act of the twenty-eighth parliament—two parliaments ago—in a bill which I introduced regarding the official residences, the Official Residences Act. I made sure that this abolition of rent would only be applicable in the next parliament; in other words, it was not applicable to me. I, like Mr. St. Laurent, Mr. Pearson and Mr. Diefenbaker, had to pay rent. It was only after the next election when the people chose, by a rather slim margin, the same prime minister that the new law took effect. The Leader of the Opposition, with his usual fairness, will recollect that that was the aspect of the bill.

He will also recollect that the same bill, which turned Stornoway into public property and the residence of Mr. Speaker, the farm, into public property, was made effective immediately because hon. members know that we had some concern about the previous arrangement whereby the leader of the opposition and Mr. Speaker were receiving benefits under the Crown, the NCC was working on their property, and so on. They could have been disqualified under the act of parliament.

Mr. Cossitt: What about the swimming pool?

Mr. Trudeau: We, not having the same kind of petty mind as the hon. member for Leeds, did not want to exploit that situation; that is why we made the act effective immediately in the case of Stornoway and the farm, and effective after the next election in the case of the residence of the prime minister. I find it unfortunate that

the right hon. gentleman for Prince Albert found it convenient to forget that.

● (1530)

When I am talking of Stornoway I am interrupted by concern for the swimming pool. Let me remind the Committee that there is a pretty good parallel between the two situations. Stornoway was put at the disposal of the leader of the opposition by a private group of people whose names have never been made public. He occupied it without our ever suspecting him of having been influenced by the Mafia who might have given it to him. This thought never entered our minds, nor should it. I believe the gentlemen and ladies who put this house at the disposal of the leader of the opposition were acting out of a sense of public duty because they believed it was an honourable gesture. I am prepared to wager that probably people from many parties helped ensure this trust through which the property of Stornoway was put at the disposal of the leader of the opposition.

When the government took over the property of Stornoway, for the reasons I gave earlier nobody on this side wanted to know the names of the donors. We did not suspect the leader of the opposition, past, present or future, of having been influenced by private builders. This is exactly the situation with the swimming pool.

Mr. Horner: There is a complete difference.

Mr. Trudeau: There are various ways for the federal government to obtain properties which are for the benefit of the people of Canada and present and future holders, whether they be the leader of the opposition, the prime minister or the Speaker. This, it seemed to me, was a perfectly correct way, to have private donors whose names were known to no one—certainly not to myself—make a gift of property to the prime minister's residence just as they have with the residence of the leader of the official opposition, remaining the property of the government for all time. I think this is how various public properties are given into the hands of the government. It is the way the museum is often enriched. It is certain that this is a question of being damned whatever I do. Of course, had I drawn upon the public purse there would have been a great number of accusations.

On a lighter note, Mr. Chairman, I was absolutely certain, when I chose the course of accepting from anonymous donors the gift of a swimming pool, that there would be editorials saying that this was not the way to proceed and that the pool should have been paid for out of public funds. It is certain that in a situation like this one can never be right in the eyes of people who are determined to see evil in everything. It is worth repeating that the parallel between Stornoway and the swimming pool is identical, and neither the Leader of the Opposition nor I know, nor presumably will know, through whose generosity we benefit from these amenities.

Some hon. Members: Hear, hear!

Mr. Cossitt: Wasting a lot of time to say nothing.

Mr. Trudeau: Mr. Chairman, I know this is a waste of time and I regret that the concern of so many people on the other side has been with this very subject. They have forced me to address myself to this subject, precisely because even during the time I was speaking hon. members opposite asked questions about the swimming pool. Now that I have given them information, they are confounded and have found it a waste of time.

The Chairman: The hon. member for Peace River on a point of order.

Mr. Baldwin: Mr. Chairman, I am sure the Prime Minister wants to be fair with the committee. He has indicated and we accept the fact, that he cannot be here all the time, much as we would love him to be and I am sure as he would be delighted to be. The reason no earlier notice was given is because of an incident which took place only on Tuesday night which we construed to be unparliamentary and despotic action. As a result, we felt it was necessary to ask the Prime Minister to appear in this House before the committee.

If he has to leave, I am sure the questions we will be asking him, including the Leader of the Opposition, will touch upon many of the subjects he is dealing with and he will have his opportunity to answer them. I think if he is sincere—and I hope he is—with regard to this being a suitable opportunity for questioning, he will provide the opportunity for the Leader of the Opposition and members of the other parties, in connection with his estimates and the right of the House of Commons on behalf of the people of Canada, to air grievances before supply is voted. This is the principle on which we are proceeding, and I trust the Prime Minister will arrange that those questions will be answered.

Mr. Trudeau: Mr. Chairman, I understand the concern of the hon. member, and he has stated well the dilemma in which I find myself. I would remind him, however, that the dilemma is not of my making. It is the members of his party who repeatedly have been asking these questions of me through written questions, who have been raising these questions in committee, who have been interjecting every time I stand to answer any question, who have been indicating their concern about the very subjects I am dealing with. I find it quite unreasonable for the hon. member to show his disappointment for the time I am taking to deal with the questions that his own party has brought up. I can see no other course but for me to follow my present disposition of dealing with some of these accusations, I repeat, made by the right hon. gentleman from Prince Albert, a former prime minister of this country and therefore—

Mr. Cossitt: Mr. Chairman, a point of order.

The Chairman: The hon. member for Leeds on a point of order.

Mr. Cossitt: Mr. Chairman, I do not think that anyone in this House should sit and listen to the Prime Minister say he is taking up his time because we have exercised our right to ask questions on the order paper and orally in this House. I think it is time that we heard something sensible or that he sat down. He is using us as an excuse for not answering, and hiding things from the Canadian people—

The Chairman: Order, please. I want to bring it to the attention of the hon. member that he rose on a point of order and I am here to rule on it. I have to refer him to Standing Order 55 which indicates that there is no limitation of time on the presentation of the Prime Minister. If hon. members have made other agreements not within the knowledge of the chairman of the committee, there is no way I can rule other than to have the right hon. Prime Minister speak.

Some hon. Members: Hear, hear!

Mr. Stanfield: As the chairman well knows, we have been operating on a 15-minute basis. There was discussion today about whether we wanted to speak first or whether the Prime Minister would speak first. We want the opportunity to have a discussion, not a monologue, Mr. Chairman. I leave it to the Prime Minister's personal judgment, but I would remind him that we have been operating on a 15-minute basis. He has taken about 35 minutes. In view of the fact that he cannot stay long—and I understand why he cannot—I would ask him to bear this in mind.

The Chairman: Order, please. I understand very well the point raised by the Leader of the Opposition. The 15-minute time limit which was agreed upon last week was for the two days' examination of the estimates of the Department of Transport. No agreement about today's proceeding has reached the chairman of the committee. At one time or another I expect the House leader will bring forward some proposal, but it was brought to my attention that the period until 4.30 would be preceded by a statement by the Prime Minister. Nobody mentioned that it would be limited as to time. It was to be followed by a question period. I am ready to accept any agreement that can be made within the committee or by hon. members, but I cannot impose rules that do not exist.

Mr. Trudeau: Mr. Chairman, I agree with the Leader of the Opposition that these are not important questions. Unfortunately, the questions which have been raised consistently by hon. members opposite are those which make the headlines. Since we are on spending, I intend to take a few more minutes on this subject. That seems to be an unimportant part, but it seems to be the position of hon. members opposite.

● (1540)

In the very next phrase, the right hon. gentleman from Prince Albert said, "Neither did we have any armoured dreadnoughts." I will not go into the explanation which has already been given by the Solicitor General to do with the armoured car which the RCMP put at my disposal, and at the Queen's disposal when she comes here. I just remember, when the right hon. gentleman suggests that possession of this car shows signs of paranoia on my part, that it was he who, at substantial public expense, had the bomb-shelter built at 24 Sussex Drive. Perhaps he was looking ahead to the time at the Chateau Laurier when his party would be kicking at him. The point is that he had that bomb-shelter built at substantial public expense. He had built a whole series of government facilities out at Carp in which to house himself and the government if any violence should overtake him. I think it was a bit petty of him to refer to the armoured car when he, himself, was a particularly visible case of paranoia.

In the same speech, the right hon. gentleman talked about Harrington Lake. I think that was another unfortunate reference, because I suppose he made the largest land grab when he was in office that was ever made by any private citizen of Canada. He did so when he decided that Harrington Lake and the buildings on it should be the country residence of the prime minister. I do not think anybody then sitting on my party's side of the House criticized that decision. He was adding thousands of acres of land for his private enjoyment. I think it was a justifiable gesture, one from which I personally have benefited. In the same way I hope the next prime minister will benefit from the swimming pool at 24 Sussex Drive. There is a difference: I do not intend to stock the swimming pool with fish, not even sharks, Mr. Chairman.

An hon. Member: What about stocking it with the government's dirty laundry.

Mr. Trudeau: The right hon. gentleman from Prince Albert liked fishing and had Harrington Lake stocked at public expense with fish for his enjoyment.

Some hon. Members: Shame!

Mr. Trudeau: That was a shameful incident. It is, I repeat, a petty point; unfortunately it was brought out in the speech of the right hon. member for Prince Albert. I am sure he will find other occasions to answer me, but the facts are as I have stated them, Mr. Chairman.

I now come to the more basic question to do with the size of the Prime Minister's office and of the Privy Council office. Here, again, I want to make two points. First, one must make sure facts are accurate. It is necessary, when looking at statistics, to compare things which are comparable. Second, I hope to show in my speech why the Prime Minister's office and the Privy Council office have grown to their present size.

Let us look at the Prime Minister's residence. In 1960-61, seven man-years were utilized. This was in the time of the right hon. member for Prince Albert. The figure remained the same for almost 15 years. Expenditures for 1974-75 were still for seven man-years. The cost, of course, had gone up considerably, from $26,000 to $84,000, which means that the same number of men and women who were hired at 24 Sussex Drive had had their salaries increased threefold in 15 years. I do not set salaries there, but I think it is important to keep in mind the number of man-years utilized at the prime minister's residence.

Comparisons as between the Prime Minister's office and the Privy Council office are much more difficult to make, for the simple reason that the two were not separated until the 1971-72 estimates. The number of man-years and costs allocated related to the combined offices, although they then performed a very different function and were covered by estimates of a very different quality. I will give some examples of what I mean; I cannot give them all.

Back in 1962-63, when the Conservatives still were clinging to power, the Prime Minister's office and Privy Council office were allocated 99 man-years at a cost of $611,000-odd. I have seen hon. members opposite and mem-

bers of the media compare that figure with a figure, say, of some ten years later, of $1,400,000, more or less, which represents a twofold increase for the PMO and $8 million for the Privy Council office. But the difference is this: in these estimates, the Privy Council estimates cover $1,260,-000-odd for the Institute for Research on Public Policy, and $230,000-odd for the National Committee on Human Rights and Treaties, and so on. So you can look at each year's figures and see that quite a number of activities were brought under these estimates which previously had not been brought under the Prime Minister's office or the Privy Council office.

Actually, when I was working in one of the offices as a civil servant back in 1949, it was the custom of the PCO and the PMO to borrow civil servants, who remained on the budgets of other departments. Therefore, if people want to make a scientific analysis of this, they should ask for exact facts and compare similar things. I repeat, my office and the Privy Council office are always ready to make such facts available to those who want to make an honest comparison and not just hit the headlines.

Another example of escalation is that of the office of the leader of the opposition. It is important to note the change there. The office of the leader of the opposition on June 1, 1968, had allocated to it 13 positions. At present it has 27 positions, so that its size has more than doubled. To speak of salaries, in my case and over a longer period they have been multiplied, I believe, by a factor of three. The salaries paid for positions in the leader of the opposition's office went from $129,000-odd in 1968 to $517,000 in the present day, which is more than a fourfold increase. The same is true of the office of the leader of the New Democratic Party and of the leader of the Social Credit party. Expenditures for their offices have increased about fourfold.

Therefore, I do not think people should get too excited when I say that expenditures for my office have also increased for that period. I might say that the figures given do not include the budgets of party research bureaux. I remind the committee, with some immodesty, that it was my government in 1968 which innovated in this regard. We believed in the importance of the opposition having research staffs which would permit them to discharge their functions. Those functions are to do with the analysing of policy, of legislation and the asking of pertinent questions in the House.

Mr. Baldwin: There has not been much result from the spending of all that money.

Mr. Trudeau: I agree.

Mr. Turner (Ottawa-Carleton): It doesn't seem to have helped the opposition.

Mr. Trudeau: The budget of the research bureau of the Progressive Conservative Party went from zero in 1968 to $250,000 in 1975, which represents an infinitely large increase. Even if we start in 1969, we get $125,000 in 1969 and $251,000 in 1971; that is slightly more than double. In the case of the New Democratic Party it has more than doubled. In the case of the Social Credit party it has not quite doubled.

● (1550)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I realize the Prime Minister is trying to save time, but twice now he has given the actual figures for the official opposition. In the case of the other two parties he just gives the ratio of the increase. He might give those figures as well.

Mr. Trudeau: Yes, Mr. Chairman. In the case of the office of the NDP leader, in January of 1970—and this is two years later than in the case of the official opposition—total salaries were $36,600. At present, not only have positions doubled but the salaries have increased to $147,900.

Some hon. Members: Oh, oh!

Mr. Trudeau: In the case of the Social Credit party, in January of 1970 the figure was $28,600; at present it is $104,700.

Some hon. Members: Oh, oh!

Mr. Trudeau: If I combine these two tables and put the salaries of the staff of the Leader of the Opposition with those of the official opposition research bureau, we go from a figure, in 1968, of $129,000 to a figure, in 1975, of $769,000.

Some hon. Members: Oh, oh!

Mr. Trudeau: That is an increase of more than six times. It is worth while noting that this does not include the salaries of the assistants of the opposition House leader—who would probably need more but he is getting this at the present time—assistants to the former prime minister and assistants to the chief opposition whip. If you add these expenditures, you get into some sizeable amounts.

An hon. Member: Tell the truth.

Mr. Trudeau: I am sure each member of this House has his own views of what is the truth. What I am pointing out is that the hon. member for Leeds is making fraudulent use of statistics. I hope it is not intentional.

Some hon. Members: Oh, oh!

Mr. Cossitt: Mr. Chairman, I rise on a question of privilege. I have been accused by the Prime Minister of making "fraudulent" use, I believe that was his word, of statistics. I consider that to be told that anything I have done in this House is fraudulent is a reflection of my character, which I am not prepared to accept. The Prime Minister this afternoon is stretching things out, not answering legitimate questions from the opposition because he wants to use up time, and making remarks about the character of members of the opposition. That is an affront to this House. A lot of members of this House are getting mighty tired sitting here listening to a man—

Some hon. Members: Oh, oh!

Mr. Cossitt: It is time he accounted to the Canadian people for the expenses of his office, and quickly.

Mr. Trudeau: Mr. Chairman, I now come to perhaps the only important part of my long statement. It is only a question of the substance of the costs. I believe there have been general phrases put in different ways, but the accusation seems to be that in some way I am subverting the parliamentary system and turning it into a presidential one. There is curiosity about the use I seem to be making of officials. At times we hear that the officials are wielding too much power and they should be summoned before the House. I recall members opposite urging the government to fire the former deputy minister of finance who was wielding too much power. However, when the same man resigned a few years later, members opposite expressed great concern that the man had been forced to leave by an intolerant government which was not giving him any power. I am not quite sure on what leg they will dance on this particular issue.

Some hon. Members: Hear, hear!

Mr. Trudeau: I will try to make some general statements on the changing role of the Privy Council office. That is the title of a publication by Mr. Gordon Robertson who was secretary to the cabinet until very recently. There is nothing secret about it. It was a paper presented to the twenty-third annual meeting of the Institute of Public Administrators, in Regina, on September 8, 1971.

Mr. Cossitt: Mr. Chairman, I rise on a question of privilege. I have consulted several more learned authorities on parliamentary procedure than myself on this subject.

An hon. Member: They are all more learned than you.

Mr. Cossitt: I have had it confirmed that the Prime Minister used unparliamentary language in referring to me and my questions in the House as fraudulent. I therefore ask that this remark by the Prime Minister be withdrawn. I think I am within my rights to ask Your Honour to so rule.

The Chairman: I must say I have also been concerned about the remark of the Prime Minister. The Prime Minister accused the hon. member of making fraudulent use of statistics. I find it difficult to make a decision as to whether the remark of the Prime Minister really affects the character of the hon. member for Leeds. I have looked at references in Beauchene's to see whether I should ask the Prime Minister to at least modify his assertion. I feel this might be a borderline case, and possibly the Prime Minister could help the Chair and the committee and make a nuance in his assertion.

Mr. Trudeau: Mr. Chairman, I think I can help you. Perhaps the words were lost, but I am sure they will have been recorded by *Hansard*. I said the hon. member had made a fraudulent use of statistics, but I hoped not intentionally. I think that would cover the difficulty you are facing. I thought perhaps the hon. member—

[*Translation*]

Mr. Grafftey: How clever!

Mr. Trudeau: No, it is not very clever, I said it quite earnestly.

[Mr. Cossitt.]

[*English*]

I would think it unfortunate if the statistics were intentionally dishonoured in this way by anyone. It is my presumption that the hon. member is acting more out of ignorance than out of ill-will.

Some hon. Members: Hear, hear!

● (1600)

Mr. Stanfield: On a point of order, Mr. Chairman, I do not wish to be presumptuous enough to lecture the Prime Minister on his responsibilities in the House, but I do suggest he has some responsibility not to aggravate—

An hon. Member: Are you angry?

Mr. Stanfield: Yes, I am angry all right, but I will have an opportunity to speak in a while; I am sorry the Prime Minister will not be present to hear me, but he can read it all. On this point, though, I suggest the Prime Minister might be gracious enough to say that he did not intend to accuse the hon. member for Leeds of intentional fraudulent behaviour.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Leader of the Opposition seems to suggest that I say words which are the very ones I used. It is for the hon. gentleman to decide whether his members are stupid or dishonest; that is not my task.

Some hon. Members: Oh, oh!

Mr. Baldwin: The point which has been raised, Mr. Chairman, is a very simple issue. The word "fraudulent" has one connotation, and no matter what the Prime Minister might say to skirt around it, he did make that charge against the hon. member for Leeds. The word "fraudulent" has a meaning which we understand. Either the Prime Minister stays with it, and is thereby exposed to Your Honour's ruling, or he changes that word. That is the option open to him. I might just as easily talk about fraudulent conduct in attempting to avoid questions.

Mr. Trudeau: You often have.

Mr. Baldwin: That would be improper and I would not say it. I suggest to the right hon. gentleman he should take this opportunity to see that proceedings in this chamber are conducted on a reasonable plane, and one way to do this would be to change the word that has been used.

The Chairman: I want to be fair to the hon. member for Leeds. I quite understand the point which has been raised by the hon. member for Peace River and by the Leader of the Opposition, but I have to make a ruling on the basis of the Standing Order and the precedents which have been followed.

Citation 154 of Beauchesne's, paragraph (5), says it is not unparliamentary to say that a statement is untrue, but that it is unparliamentary to say it is untrue to the knowledge of the hon. member addressing the House.

From this I move to the explanation given by the Prime Minister. Although he stated that the hon. member for Leeds might have made a fraudulent use of the statistics,

he added that he hoped this was not done of his own knowledge, or wilfully. To my mind, this meets the requirement of the citation to which I have referred. Unless hon. members wish to carry the matter further and cite further references for my guidance, I may say that right now I am satisfied with the explanation given by the Prime Minister.

Mr. Cossitt: Mr. Chairman, may I state briefly that so far I cannot see how one can be satisfied with the statement made by the Prime Minister in this regard.

Some hon. Members: Order!

Mr. Cossitt: He made the admission that he had used the word "fraudulently". He admits that but he adds, "However, I assume not intentionally". Mr. Chairman, "fraudulent" implies intent in every sense of the word; "fraudulent" implies crookedness; "fraudulent" implies dishonesty.

Some hon. Members: Hear, hear!

Mr. Cossitt: I used statistics which he himself had supplied from his own office. If those statistics are fraudulent, they are fraudulent because he supplied them.

The Chairman: Order. The hon. member had a chance to make his case. His arguments were well supported by the Leader of the Opposition and the hon. member for Peace River. The Chair has made a decision. The only alternative at the hon. member's disposal is to appeal the ruling of the Chair.

An hon. Member: He might as well; it is a completely wasted afternoon.

Mr. Trudeau: I was coming to my point. I was saying that the changing role of the Privy Council office has been the subject of great interest and learned papers by more than one person. Mr. Robertson's paper is well worth reading and I would refer anyone who wishes to understand the increasing complexity of the Privy Council office to this particular publication.

For my part, I believe that the most basic issue which has been raised by these various questions on my estimates probably has to do with the whole system of parliamentary government and the collective responsibility. Here, I speak as one with some experience because not so long ago the government previous to this one was defeated in the House of Commons on a very basic issue. Certainly, we have learned from direct experience of the responsibility of the executive to the House of Commons.

Perhaps I do not have too many things in common with the right hon. gentleman from Prince Albert, but at least in this we have similar experience: we were both leaders of a government which suffered defeat in the House of Commons; confidence having been withdrawn, we had to go to a general election. Surely, this is the basic principle. Mine was worse, perhaps, in the sense that our government was the first in this country which had ever been defeated on a budget.

Mr. Baldwin: The country never had a worse budget.

Mr. Trudeau: The principle was the same, though, and no system under which this happens can be mistaken for a presidential system. Nor should we give way to the demands of the opposition to have officials appear before committees of parliament, because this would only be giving force and credence to the notion that it is the officials who make the policy and who are responsible for it, rather than members of the cabinet who, as a general rule, have to be elected by the people. So let me just indicate some ways in which changing times have called for an increase in the staff of my office.

Going back to 1968 when I became Prime Minister, I thought it was necessary to look at the functions of the Privy Council office and the function of the cabinet in the context of that particular time. Because of changing circumstances, not just in Canada but in other countries, government generally had entered a new phase of significantly larger involvement in the public sector. The demands on it for responding to the people were massive, but the decision-making process as it existed at that time had not kept pace with those demands in any meaningful way. If ministerial responsibility were to be meaningful, something had to be done.

After considerable and intense study with my colleagues and the officials who had to provide the support operation to the cabinet, we decided to change the system, to allow cabinet committees chaired by ministers to do the assessments and make the subsequent judgments which formerly had all been done in full cabinet. This would allow cabinet to focus on the final alternatives, knowing that the basic work and discussion had already taken place.

To change a system involving large numbers of people and ingrained methods is not easy and takes a bit of time, but there were valid reasons for trying. First, we wanted more decisions to be taken at the ministerial level. Second, we wanted to ensure that ministers had soundly researched alternatives from which to choose. Third, we wanted to aid ministers to make a conscious choice of priorities in the full knowledge of the real pressures which were being placed on their colleagues. Fourth, we wanted to extend dialogue between the ministers and officials, and not just officials from their own department. What we wanted was to let departmental concerns cross the borders of one department, with officials from other departments in these committees being subject to questions and participating in the discussions with ministers of other departments.

● (1610)

I have no hesitation in saying this approach has resulted in an increase in the staff of the Privy Council office, particularly in areas of planning and federal-provincial relations. It is not an abuse of growth, and in terms relative to the general annual growth in the public service it is around the norm. In fact, it has been of an order that no one could realistically suggest the Privy Council office, even combined with the Prime Minister's office, could be capable of controlling the government. I gave the figures a little earlier, Mr. Chairman.

[*Translation*]

I do not quite see why the Privy Council office is now being looked upon as something sinister by the hon. mem-

bers of the opposition, at least by some of them. This seems rather strange to me since the operation and the role of the Privy Council have been made the subject-matter of studies or reports printed and distributed to the hon. members as well as to other citizens. Their authors, very distinguished men and free of any partisanship, never lose sight of the fact that in accordance with an old rule, even the highest officials must abstain from interfering with the orders or wishes of ministers. Such a rule has always prescribed that the Privy Council must be non-partisan in nature though it must be politically considerate of the government's intentions, whatever may be the government who is enjoying the confidence of the Canadian electors. The same applies in the case of any group of officers within any department.

Despite charges from the opposition, charges to which the *Watergate* traumatism might find some credit among the people, the government has tried to lessen the restraints imposed in the past.

Since the Cabinet was appointed eight years ago, great care has also been taken to ensure that officers do not interfere with the ministers' responsibilities. It must be admitted that the Privy Council office manages the government machinery, but its officers are not responsible for the decision making process, as some believe. They perform administrative and coordinating duties from one department to another but they do not define any policy.

[*English*]

There is another very fundamental point I would like to make; that is, there is a very basic difference between the services given to the Prime Minister by the Privy Council office and that offered by his own staff. All too often, critics, either deliberately or without knowledge, blur the distinctions between two quite different operations. At one point in time a number of persons from the civil service, as I said earlier, were seconded to the prime minister from various departments to serve his staff. From the beginning of my government I have had such persons identified clearly as my political staff and put on my budget.

The operations of the Privy Council office, like the rest of the public service of Canada, are not based on partisan politics. They are certainly sensitive to public issues but they are committed to serve a government elected by Canadians, and indeed are necessary to it.

In accordance with well established prerogatives of the prime minister, I have recently nominated a new secretary to the cabinet and clerk of the Privy Council. He has been in the public service for more than 16 years, two of them as deputy minister. It is a fact that when I first came to public office he was already an assistant secretary to the cabinet. It is a fact that he is young and that I have got to know him well since I came to Ottawa. I had met him a few times previous to that, when I believe he was working for one of the ministers in Mr. Diefenbaker's government; but I have really got to know him well since coming to Ottawa and seeing him acting as assistant secretary to the cabinet. I do not see cause to discriminate against him for either of those reasons. The simple fact that he is a highly skilled civil servant should suffice to overwhelm the arguments of either his youth or of his acquaintance with me.

[Mr. Trudeau.]

An hon. Member: Is he better than all the rest?

Mr. Trudeau: The hon. member asks if he is better than all the rest. Since I have been Prime Minister, I believe I have had occasion to change every deputy minister of every department, and I have had perhaps the pleasure and privilege of presiding over a change of generation in the civil service. I think it would be difficult to say whether he is better than all the others, because the deputy ministers who are serving in the federal civil service are very competent men and women and I would be hard pressed to know by what standards the hon. member asks the question about being better. Certainly, some are more fitted for one type of job than others. I repeat that, in the case of the secretary to the cabinet, he had been an assistant secretary to the cabinet and was obviously very competent in that aspect of his job.

Having dealt with the Privy Council office, I must now deal with my own staff in the Prime Minister's office. As a preface, let me remind the committee that the Privy Council office is totally non-partisan. Its employees are the same as any employees of the public service. My dealings with them seems to indicate to me that I am fortunate to have such knowledgeable advisers. Their assignment is to produce the expertise for any government which happens to gain power.

The Prime Minister's staff, on the other hand, is admittedly a different operation. Naturally, it is completely partisan and, I hope, intelligent. I fear it has been greatly misunderstood in terms of numbers and alleged power. Almost half of the staff for whom I have answered either in the House or in order paper questions deals exclusively with my correspondence. I am talking about, in a slow year, 112,000 letters. That is more than 300 letters a day; and I believe that, if not all of them, the overwhelming majority are dealt with and dealt with well. That is half the reason for the size of the Prime Minister's office. I believe that in the days of previous prime ministers, correspondence was considerably below that and the habit of communication between citizens and their prime minister had not developed to the same extent. I believe that all who work for me produce a service of which any prime minister would be proud. I would challenge any political leader in this country to produce a staff that would have the determination to be as objective and, quite frankly, as critical as mine.

Again, I do not want to belabour the point, but as the individual man-hours of my own staff have escalated in the past few years, the amount of assistance given to all opposition parties has also escalated, as I reminded the House a few minutes ago when I quoted the figures. If the opposition is perturbed about the Prime Minister's office, perhaps it can gain some comfort in looking at the escalation of its own budget and its own responsibilities.

[*Translation*]

I want to make sure that all members understand exactly what I mean. That is why I repeat that, in the administration area, which includes government decision-making centres, our objective is to ensure that the responsibility of decision making is totally discharged by the cabinet, with the support, in the House, of a well informed caucus, of which I am proud, Mr. Speaker.

However, once the study of the problems and the discussions are over, the ministers in Cabinet alone can discuss them and the responsible minister alone must make the final decision. Afterwards, in the House as in the country, each minister, in his area of responsibility, and the members of the caucus assume the collective responsibility of the decision, and are responsible for it to the population at election time. Such is the foundation of our system: the daily ministerial responsibility of making decisions before Parliament and the people. That is why, Mr. Chairman, I am in this House every day to explain and defend the decisions we make, and to answer the countless questions put to us by the opposition all year long.

I think that the system of ministerial responsibility is the best for the Canadian people. It prevents one group from assuming power and leaves it to those who were elected to exercise it. We have made considerable effort to improve and defend that system.

● (1620)

[*English*]

The opposition talk about the executive authority in our system being unknown or hidden away in the personage of non-elected officials. This is nonsense and they must know it. The executive in the Canadian system is, and has always been, the ministry and that ministry is present and accountable to parliament.

It is with perplexity and a degree of sadness that I see some members of the Conservative Party in this House try to establish an argument that our system and the United States presidential system are similar in decision-making processes. The two systems are so different. In the United States, the executive is the President and he is supported by ministers and officials of his own choosing. In Canada it is the ministry who are elected by their constituencies and collectively represent the executive. In the United States, the executive is not responsible to Congress; it is a parallel authority set up in a competitive checks and balances process. In Canada, the ministry is responsible to parliament and must defend itself there every day. As I have said, this government is in a position to be more sensitive to this than most, on the basis of the experience I quoted earlier.

As I understand it, some members of the Conservative Party seek to substantially alter our system of ministerial responsibility to parliament. Some do not appear to accept the responsibility of ministers to defend themselves in the House in the question period, on estimates or at committees of the House. Some Conservatives say that officials who are not elected and represent no one should be callable. It is one thing for officials to appear; but when they are speaking for themselves and not for the government, who is accountable? A minister, in this type of Conservative system, could say that the official's opinion is his own, not that of the minister. Our policy, Mr. Chairman, has been to improve and defend the system we have enjoyed in Canada for over 100 years and which has had a great role to play in preserving our democracy by making the elected member paramount in the decision-making process and accountable for his actions when he is a member of the ministry.

I do not know whether certain members of the opposition have grasped the essential lessons that have led to the confidence which Canadians have in their political process. But at the same time, I ask others to think very seriously about trying to introduce procedures which have no bearing on the Canadian parliamentary system. They may make fine political headlines, but I am not at all interested in the introduction of the process of a presidential form of government. I rather suspect that those who insist I am moving Canada in that direction are doing so for whatever political reason they feel will foster their own political motives.

Mr. Chairman, I think that is perhaps all I wish to say at this point.

An hon. Member: You have another five minutes.

Mr. Trudeau: I will give the further five minutes to the opposition. I will be pleased to answer whatever questions they may want to ask in that time.

Mr. Alexander: I rise on a point of order, Mr. Chairman. I can understand that the Prime Minister, of necessity, found it necessary to make a statement, and I also understand that he has to leave at 4.30. I have no quibble in respect of what he has done. I think he knows what I am saying. However, knowing his appreciation for justice, fair play and equity, and knowing that the agreement, as I understand it, was that the Prime Minister would make a statement and that questions could be asked as a result of that statement, I would ask the Prime Minister whether he would keep in mind the words I used, "justice, equity and fair play", for which he is so famous and reconsider the situation.

I understand that my House leader asked whether the Prime Minister would subject himself to questions at a later date. We understand that because of the pressures of his position he cannot be tied down and cannot give us a definite answer, but would he at least, in view of the statement and the agreement, agree that we are entitled to ask questions and that he will make himself available after discussion with the respective House leaders? Surely, Mr. Prime Minister, knowing how fair you can be, you will give us an answer right now.

Mr. Trudeau: Mr. Chairman, in the same spirit in which the hon. member asks the question, I will certainly stay another 35 minutes and deal with whatever questions can be asked in that time. I will explain to the people whom I am supposed to meet that I have been delayed for reasons of very great importance. I would assure the hon. member that after I have left, the House leader and the officials will be here to continue to answer questions that I may not have been able to field or perhaps did not have time to receive, and then perhaps at the end of the day the opposition can make a judgment concerning whether they have more questions to ask which only I and no one else can answer; and if that should be the case I will reconsider the suggestion made by the hon. member.

Mr. McGrath: Mr. Chairman, on the same point of order, may I say we will have an opportunity to examine the Prime Minister on his estimates for less than half an hour. He tells us that we will have the views of the

President of the Privy Council. I should like to say that when the President of the Privy Council appeared before the Standing Committee on Miscellaneous Estimates he made the following statement:

I should explain that as President of the Privy Council I do not have responsibility for the Privy Council secretariat. I have a very small staff which attaches to me in my functions as President of the Privy Council which do not include the supervision of the Privy Council office—

In other words, the minister made it very clear when he appeared before the committee that he was there merely to satisfy our desire to have a minister for the estimates, when he in fact has no administrative responsibility whatsoever for these estimates.

Mr. Trudeau: I understand that, Mr. Chairman; but surely the essence of the question is, can the opposition get answers to the questions it wants to ask? So far I know of no questions which have been asked, of a pressing nature, which have not been answered. I repeat that if there are some questions which are so private and so secret that only I would know the answer to them, I will reconsider the request made by the hon. member for Hamilton West. However, I do not believe this is the case.

I believe the consideration of estimates is an occasion when the opposition wants to ask questions about spending figures. I am sure that should be the test. Whether it be myself, the leader of the House, the parliamentary secretary to the House leader or some other minister deputizing for me, the essence of the matter is, is the opposition getting the answers to which it is entitled? Beyond that, I repeat what I said at the outset of my speech: traditionally, parliament has been very indulgent in realizing that the prime minister has many executive functions, and that particularly under the temporary system of rules we have now adopted it is impossible to plan in advance, with any degree of certainty, whether or not a minister will be called.

I think the committee should understand that, and I repeat that it should base its judgment on the simple fact of whether or not the questions it is asking are being answered. The hon. member knows that I, myself, even if I were here until doomsday or for another ten years, as the hon. gentleman from Prince Albert seems to predict, will not know the answers in respect of some detailed estimate and I will ask my officials what particular set of figures corresponds to it. This is the practice of every minister of every government in appearing before this House. That is why I need the officials; the officials can help me, and certainly can help the House leader of our party.

● (1630)

Mr. Stanfield: Mr. Chairman, I hope the Prime Minister will forgive me for making some comments before I ask him any questions, because I know that if I ask him questions he will take off in another half an hour.

I said a few moments ago, in response to some comment across the way, that I was angry. I was angry with myself. I felt I had been imprudent in so far as my colleagues are concerned, because when I was consulted this morning as to whether the Prime Minister should commence first with some remarks, or whether we wanted to speak first, I thought it was a matter of courtesy that when the Prime Minister comes into the House he should have the opportunity of leading off the discussion.

We had operated on the basis of 15-minute shots, so to speak, back and forth. I am sure the leader of the House, the President of the Privy Council, clearly understood this. I do not think it ever occurred to him—and I give him the benefit of the doubt—when he was talking to us that the Prime Minister would go on, not for 25 minutes but for virtually an hour and 25 minutes.

An hon. Member: Abuse of the agreement.

Mr. Stanfield: I felt I had let my side down by thinking I was dealing with gentlemen and suggesting that as a matter of courtesy, since the Prime Minister was coming to the House he should start off; but I realized a couple of minutes after he started that it would not have made any difference anyway, because regardless of whether he started off the discussion he would have chewed off the rest of the time anyway, as he came obviously prepared to do. Of course, we will have an opportunity in the evening to put some of these matters to a vote of confidence.

I want to say one or two things to the Prime Minister that I have not said before. He is here and this gives me an opportunity to do it. Others have dealt with the matter. The Prime Minister this afternoon has dealt with Stornoway and with the swimming pool. I want to say, with regard to the swimming pool and the comparison with the bomb-shelter, that I think the Prime Minister operates under two standards when he speaks about restraint. I say to him very bluntly across the floor of the House, although I have never felt it necessary to say this sort of thing to him before, that I do not think he can justify to the House, whether it be to members of this committee or to the people of Canada, the scale to which the swimming pool is being built, particularly in the condition in which this country finds itself now.

Some hon. Members: Hear, hear!

Mr. Stanfield: Secondly, with respect to the swimming pool, I say to the Prime Minister—and I am even more serious about this point on which he touched himself—that he cannot justify the lack of disclosure of donors. He referred to the way in which Stornoway was acquired. To be frank about it—as I understand it, the NDP were not included but that is by the way—Stornoway is to be either for the leader of the Conservative Party or of the Liberal Party in opposition—the leader of the official opposition.

Mr. Knowles (Winnipeg North Centre): We will provide our own shack.

Mr. Stanfield: It is true that the names of donors was not disclosed, and it is true that that was an acceptable practice in those days. I am sure that those who made a donation never expected to receive any benefit from it. But I say quite bluntly—and I intended to say this before the Prime Minister raised the question today—that the procedure would not be satisfactory today.

Some hon. Members: Hear, hear!

Mr. Stanfield: It would not be acceptable to the Canadian people, particularly in view of the requirements for

disclosure with regard to election contributions. I say to the right hon. gentleman that generally we on this side of the House, and I suspect many hon. members on his side of the House, do not accept the fact that these contributions are being received from undisclosed sources. The Prime Minister should reverse himself. As I say, I think the swimming pool is of an unjustifiable scale, and I have never heard the Prime Minister attempt to justify it.

Mr. Trudeau: Could you explain why things have changed with respect to Stornoway?

Mr. Stanfield: Many things have changed since Stornoway with regard to contributions.

Mr. Trudeau: Tell us what.

Mr. Stanfield: The general attitude of the Canadian people toward contributions to political parties.

An hon. Member: The elections act.

An hon. Member: Dredging.

Mr. Stanfield: The Prime Minister had an hour and 25 minutes in which to talk. I should like to make a point or two as bluntly and as fairly as I can to him. I say to him that the procedure followed with respect to Stornoway would not be acceptable today.

Mr. Trudeau: Because it applies to you, and this one to me.

Mr. Stanfield: There you go. I am not afraid to say what I have to say, Mr. Chairman. Unfortunately, that is the attitude of the Prime Minister of this country today. He applies two standards in terms of expenditures. I say to him in all bluntness—he can argue any way he likes—the procedure followed with respect to Stornoway would not be acceptable today, and certainly the procedure being followed by him or whoever is in charge of the swimming pool operation is not acceptable to this committee and to the people of Canada.

Some hon. Members: Hear, hear!

Mr. Stanfield: As to the expenditures associated with the office of the leader of the opposition and with the research budget, I simply want to say this and nothing more relating to the establishment of positions or the expenditures relating to the office of leader of the opposition: that they were approved by Mr. Speaker. I know that the Prime Minister did not intend to apply any criticism of Mr. Speaker with regard to that.

Second, I would point out to him that in terms of anything approaching the fighting of political battles on even terms, the scale is heavily weighted in favour of the government, in spite of these changes. For example, any travelling by the staff of the leader of the opposition is not paid for by the government. The prime minister can take all his staff with him wherever he wants to go. Next, with regard to research, I appreciate the fact that the research budget exists, but there is no way in which the official opposition—let alone the NDP—can compete with the government on anything like even terms so far as research is concerned. The prime minister has his personal establishment and the whole civil service. I say, quite bluntly, all we can attempt to do with this kind of research budget is to meet parliamentary needs for which the grant was intended. In terms of day to day and week to week preparations, and in terms of any research in depth on economic matters such as is necessary in connection with budgets, tax reform and that sort of thing, for research we have to go outside and get help on a voluntary basis.

With regard to the dissatisfaction of the opposition with some of the practices being followed by the government, I simply wish to say that the opposition accepts that members of the civil service should not come before committees to answer questions relating to confidential matters or to policy. However, we assert that committees of the House have the right to question members of the civil service with regard to the manner in which they are spending, for example, funds voted by the House.

Some hon. Members: Hear, hear!

● (1640)

Mr. Stanfield: We contest the right of the Prime Minister, let alone the Minister of Energy, Mines and Resources, to say which of his officials may come before a committee if the committee wishes to question those officials. We contest the authority of a minister to decide which of his officials should come before the committee, although we willingly agree that officials ought not to be expected to answer questions relating to matters of confidentiality or policy.

One of the reasons we wanted this day was to put this point very clearly before the Prime Minister. I suggest to him it is nonsense to suggest that this is a departure from responsible government. Certainly the ministers are responsible to this House. Certainly the ministers and the cabinet collectively are responsible for policy and the development of policy; but equally, committees of this House are entitled to question people in the government service as to how moneys are being spent. That is a right we assert, will continue to assert and which in our judgment the members of the government have no right to deny.

Some hon. Members: Hear, hear!

Mr. Stanfield: I intend to stay within the 15 minute rule in an attempt to set an example in that respect. There is also an area of the government which does not seem to be answerable to committees at all, the area in which the Privy Council and the office of the Prime Minister operate. As the hon. member for St. John's East indicated, the President of the Privy Council appeared before a committee and said that he had no administrative responsibility for the Privy Council. I want to insist, again, that we are not asking that any official in the Privy Council office should come before a committee and discuss anything of a confidential nature, but it is very clear that no minister is able to go before a committee and discuss with any degree of competence or authority what is taking place.

Mr. Beatty: It is like Edgar Bergen leaving Charlie McCarthy behind to answer questions.

Mr. Stanfield: The House leader himself admitted that he did not have competence, that things did not come under his authority and that he would have to seek the answer from someone else and get it second-hand.

Mr. Sharp: That's right; just like the Prime Minister.

Mr. Stanfield: What possible reason is there for the committee not to hear from the officials rather than through some filtered version brought in, in his own inimitable way, by the government House leader?

Mr. Sharp: Because we are responsible, not the officials.

Mr. Stanfield: Ministers are responsible to the House for policy, and members of the opposition have a responsibility to the people of Canada to make inquiries relating to expenditures.

Some hon. Members: Hear, hear!

Mr. Stanfield: We are entitled to that information and I suggest that gobbledygook, talk about responsible government and distorting the concept and the principle of responsible government is no answer at all. This has become a large area of government operations. I am not suggesting that committees should be able to receive answers as to matters of policy within the office of the Prime Minister, but if a committee of the House wants to question the principal assistant to the Prime Minister on certain matters relating to administration and certain matters relating to expenditures, I do not know why there is anything improper about that and why that does not come within the terms of reference of parliament generally as to what is appropriate to inquire into.

Policy matters in the office of the Prime Minister are clearly no business of ours. I wish to make the point that ministers are exercising a prerogative of determining which of their officials may appear before committees regardless of the wishes of the committees, and the government on the whole is blocking off a large section of the government service, making it immune from questioning by government committees and attempting to justify this in terms of responsible government. I simply say that that is a complete distortion of responsible government.

Some hon. Members: Hear, hear!

Mr. Stanfield: Before the Prime Minister made his long-winded speech which was clearly an abuse of the committee, I did not intend to say very much and I am not going to say anything more at this time. I am not going to interfere with the questioning or statements by my colleagues down the line here. But I hope that after the Prime Minister leaves the government House leader will give some justification for the failure to disclose contributions relating to the swimming pool, besides the precedent alleged in connection with Stornoway; that the government House leader will give some justification for the scope of the expenditure, and that he will agree that it is appropriate for committees to hear evidence, ask questions and receive answers from members of the public service provided that these are not in the area of confidentiality or policy.

Some hon. Members: Hear, hear!

[Mr. Beatty.]

Mr. Orlikow: Mr. Chairman, this should have been, and could have been, a very important debate. We should be debating how the democratic system of government works in an age as complex as the 1970s. Instead, we have dealt with what may be much more interesting to the gossip columnists in regard to how much the swimming pool costs and who paid for it, which is irrelevant to the running and effective operation of government in this day and age.

We backbenchers know the pressure of work for the Prime Minister, cabinet ministers, the Leader of the Opposition and other important government officials, and if it is felt that for the well-being of the Prime Minister a swimming pool or stocking fish at his summer home is needed, I do not think the people of Canada will object. I think they would be and are prepared to pay for these things directly, without having anonymous contributors paying for them. But to me, those are not the important questions. What is important is how the system is working. Do we have an open system? Does the public know what is going on? Does the public receive the facts on which it can come to intelligent conclusions about the important questions which have to be dealt with by government? That is what is important, and not only is it impossible for members of the opposition to receive the information they need but it is impossible for the general public to receive the basic information it requires.

It is not just the Privy Council office which has grown in size; every department of government has. I have discussed this on other occasions. The number of senior executive officers grew from 381 in 1968 to 895 in 1973, the last year for which I have figures. It may have been necessary to increase the size of the senior civil service by that number, but neither the Prime Minister nor any other minister has given an adequate explanation of why it was necessary. At the time that increase was taking place the government was hiring hundreds of consultants to do studies on separate questions. Tens of millions of dollars are paid out in fees, and what happens to the studies? They become the property of the government of Canada. The research they do and the conclusions they come to are locked away in files and are not available to members of parliament, to journalists or to the general public. How can the public decide on important questions in these circumstances?

● (1650)

A few days ago a senior journalist of the *Globe and Mail* wrote a long article about development in northern Canada. He related the continuous conflict between senior officials of Environment Canada who are concerned, as they should be, about the deterioration of the environment there as we begin to use the resources, and the economic development officials of the Department of Indian Affairs and Northern Development. I do not know, neither does any other member of the House except perhaps the Minister of Indian Affairs and Northern Development, which side of the conflict holds the correct opinion. How can I know when the information on which each side comes to its conclusion is hidden from everybody?

It seems to me, Mr. Chairman, that this is the question we should be discussing, rather than the question of who paid for the swimming pool or for stocking the lake at the

summer home of the prime minister. Members of parliament on both sides of the House—that is, backbench members on the government side—do not have the same information as a serious journalist in the press gallery in Ottawa. I talked to one journalist today who told me that in the course of a year, without looking for it, he is offered the opportunity to interview at least 50 senior officials at the deputy minister or assistant deputy minister level to discuss for an hour or two the programs and policies of their departments. He can ask all the questions he wants and can use the detailed answers he gets, unless he attributes them to any particular official. Members of parliament do not have that right.

I say to you, Mr. Chairman, that the people of Canada elect us to come here to see that the government runs the country as it should. But I say, with regret, that members of parliament have less opportunity to get the information on which to base their decisions than any good journalist in the press gallery in Ottawa—and I say that is a disgrace.

Some hon. Members: Hear, hear!

Mr. Orlikow: In his remarks, the Prime Minister said that we have open government. Mr. Chairman, every member of this parliament who sits on committees knows that is nonsense. At any committee dealing with the estimates of a department, which may meet perhaps ten times, the minister will appear once or twice and after that no more. If you ask an embarrassing question, the deputy minister will say—I go back to the kind of thing the Prime Minister was talking about, the so-called theory of responsible government—that the question is on a matter of policy which only the minister can answer.

Let us look at how decisions are made. There was the tax reform which we had after the Carter commission report. The business interests, the mining companies, the oil companies stood to lose a great deal if tax policies in regard to resource industries were changed. But when did they come before the government? Did they come to committee and get ten minutes for their presentation? No. They met, not just with the ministers but with deputy ministers and assistant deputy ministers. They made their representations where it counted. The Carter commission said a buck was a buck no matter where it came from, and it should be taxed accordingly.

Then there was a white paper which watered down the Carter Commission recommendations. Finally, there was the tax bill which had virtually nothing in it of what Mr. Carter suggested. That is an illustration of how government really operates in this country.

Let us look at tariffs. In the last few weeks a couple of constituents have written to me because a tariff has suddenly changed. I asked a question today which two ministers said they could not answer. There are large-scale lay-offs at a rubber plant in Whitby which the union says have occurred because there has been a sharp reduction—

Mr. Clark (Rocky Mountain): There he goes, sneaking out.

Mr. Orlikow: —in tariffs and an increase of half a million to 3½ million tires per year coming in from the United States. Mr. Chairman, you can be sure the people interested in making cars and tires had their say with the senior officials in the Department of National Revenue long before members of parliament ever got to them.

Let us take the discussions going on between the Minister of Finance, the Minister of Labour, and I do not know who else, about the so-called consensus that is sought with business, industry and labour unions. Businessmen, manufacturers, retailers and labour leaders all know a hell of a lot more about what the Minister of Finance is trying to do than does any member of parliament. Talk about downgrading parliament! That is the way it is done.

Let us take another illustration of the way the real decisions are made; that is, federal-provincial relationships. I am not talking about just the two or three meetings, well publicized, which the ministers have every year. Almost every weekend when I am on my way home I meet some senior civil servant from Manitoba who is returning to Winnipeg. I am sure hon. members from other provinces find the same thing. These senior people have been meeting with their federal counterparts in Ottawa discussing in detail some joint or shared program for perhaps health or welfare or post-secondary education or anything else you can think of. By the time these questions come to parliament, the bill has been discussed, signed, sealed and delivered and we are faced with a *fait accompli*. If this is a democratic system, then I do now know what a democratic system is.

That is the way the real government of Canada is going more and more—to federal-provincial conferences. I am not saying the provinces should not be consulted. I am not saying that in our federal system, with a constitution which defines the responsibilities of federal and provincial jurisdictions, that does not have to take place; I am saying that when the Prime Minister talks about open, responsible government he is talking about some never-never land; he is not talking about Canada in 1975.

I can say to the Prime Minister and the government House leader that I have learned a great deal more about what the federal government is proposing to do in many fields by talking to the contacts I have in provincial governments, both elected and civil servants, than I have ever learned as a member of parliament. It is an accident that I know these people. Most members of parliament probably do not have access to such contacts. Nevertheless, that is the situation.

● (1700)

The basic question which we ought to be discussing today and are not discussing is whether we believe in open government. That has nothing to do with members of parliament being slighted or downgraded, which is the case now. We ought to address ourselves, as I said, to the question of open government. I submit that unless the government is open, our society cannot be considered as being truly democratic. Yes, we have all the trappings, all the façade of democracy. But the system is not run by the prime minister or cabinet ministers; increasingly, it is run by faceless bureaucrats. They make the hundreds and thousands of decisions which must be made every day, every week.

I know my time is limited; therefore let me make this point. I suggest that hon. members who are interested in this question should look at the recent issue of the London *Sunday Times* which has printed extensive excerpts from the diary of Richard Crossman, one of the most competent and knowledgeable leaders in two of the last three Labour governments of Great Britain. They will see what he says about the importance of senior civil servants; that it is they who can make or break a program. They can rewrite a speech. Not only can they rewrite speech, but they do. Sometimes the speech a minister makes does not support his own housing policy but supports the policy of the former government.

My point is not that we do not need senior civil servants, not that we do not need government intervention in the lives of Canadians. In this complex day and age it is increasingly important for the government to become involved. My point is that we ought to, and must, have control of the system. I say the system is out of control; that the increase in the number of bureaucrats or senior civil servants is not justified; that this government has not found a way to control such growth; and that the growth of the bureaucracy is continuing and accelerating. I say that members of parliament and the public have a right to know. Instead of adopting the sort of guidelines the Prime Minister spoke about and which were adopted a couple of years ago, which simply legitimize, so to speak, the government's policy of not making public important information, I say we should look closely at the Swedish system in which every document, every state paper, every study is made public immediately unless there are special reasons why this should not be done. Those are the kinds of questions we ought to have debated today. I am sorry to note that we have not even touched on them.

Mr. Clark (Rocky Mountain): Mr. Chairman, I regret that because of the excessive time taken by the Prime Minister in speaking, he is not now in the chamber to answer questions which I and other members on my side of the House wish to put to him. That, unfortunately, is a typical performance by the Prime Minister who talks so much about being in the House and being responsible to members of parliament who have questions to put to him. The only time he stays in the House to receive questions is during the question period when the rules and his own particular style of not answering protect him from questions, however effective, put by members on my side of the House.

The contemptuous display by the Prime Minister today is in violation—I say this with some anger because I was involved in the discussions that I thought set the ground rules for the discussion today—of the understanding that we on this side had when we agreed to extend to the Prime Minister the courtesy of leading off. We were given to understand that he would use that courtesy, make a short address outlining some of the functions of the office which reports only to him, and answer questions. His abusing that courtesy and speaking for three times as long as he stayed to answer questions in the House shows that he is a Prime Minister who holds this House and his responsibilities to it in very low regard.

Mr. Cullen: That is absolute nonsense, and you know it.

[Mr. Orlikow.]

An hon. Member: That was an American style filibuster.

Mr. Clark (Rocky Mountain): I want to make one quick reference to the question of responsible government which was dwelt upon by the Prime Minister. The Prime Minister suggested that he and his colleagues in cabinet are responsible to the House of Commons because once, on a rare occasion, he was defeated on a budget motion and an election was called. But the fact remains, and it is clear to the Prime Minister and anybody else in the House who will admit it, that there is no kind of day to day control by members of the House over the government. In a majority position they are going to do what they like until there is an election.

Mr. Cullen: The government is always responsible.

Mr. Clark (Rocky Mountain): There is responsibility when elections occur, but that is responsibility to an electorate. I suggest that is a system which appears to have much more in common with the traditions of the United States presidential system than with the traditional system of responsible government which we have known.

I want to deal with some of the functions of those highly mysterious offices, the Prime Minister's office and the Privy Council office. It is noteworthy that the Prime Minister, who came here presumably to filibuster instead of to answer questions, did not even spend most of his filibuster dealing with the operation of the PCO and PMO. He spent most of his filibuster trying to answer the right hon. member for Prince Albert, even though the right hon. gentleman was not in the House, and others.

Mr. Boulanger: He was answering questions; you know that.

Mr. Clark (Rocky Mountain): He put his answers on record in the right hon. gentleman's absence. But I am interested in the organization of the Privy Council office. I regret to have to come back to the minister who holds no responsibility in this. We have discussed the matter previously in the standing committee. I have read the document written by Mr. Robertson. I have read whatever else has been published on the subject and written, however carefully, about the functions of that office. I certainly understand the importance and validity of change. As times change, as needs change there is a necessity for change in the way government responds.

I recognize the need for an office performing a coordinating function at the centre of government. It seems to me, and I put this to the acting prime minister, that as the system is now arranged the Privy Council office is designed to bring in everyone but parliament. Privy Council officers come from and go back to various line departments. Ministers sit on specialist cabinet committees, but parliament has to fight to get a minister to defend the estimates. Then we get a minister before the committee who starts off by saying, as my leader and other colleagues indicated earlier, that he does not have responsibility for the estimates we are considering.

We cannot bring before us the deputy minister who does have that responsibility, and we are able to get the respon-

sible minister before us only by the extraordinary procedure of bringing on this sort of debate: he came before the committee and, in a filibuster, talked for about 1½ hours, then ran away after some lead-off remarks had been made by representatives on the opposition side. He ran away. So I say there seems to have been an attempt under the system in the past to bring in everyone but parliament. It is clear that the Privy Council office is no longer a secretariat. Mr. Robertson said, on page 18 of the English version of "The Changing Role of the Privy Council Office":

> As a department provides its ministers with analysis, advice and recommendations on the objectives of the department, so the Privy Council office gives the Prime Minister information, analysis and advice on the totality of policies.

So it is not just a secretariat; it is a department like others, but has considerably more power than other departments. Following the lines and the logic of Mr. Robertson, it should be subject to regular review in the same way as other departments. I would like to ask the Acting Prime Minister, if he has been briefed by Mr. Pitfield or whoever briefs him, how he proposes to have that kind of review on a regular basis without having to resort to this extraordinary situation where the Prime Minister comes in for a monologue and flees. How does he propose to have parliament review what is going on in the Privy Council office with at least the same regularity and scrutiny as is done with the Post Office?

● (1710)

I would like to serve notice of my understanding. I am very careful about this. We had an understanding that the speech by the Prime Minister would be short and that I had 15 minutes in which to place questions and receive answers. Is that correct? If not, I will list some questions.

The Deputy Chairman: The hon. member is seeking the advice of the Chair. The hon. member has 20 minutes. We are not operating under any special order, but the Standing Orders. I refer the hon. member to Standing Order 55(3) which allows him 20 minutes.

Mr. Clark (Rocky Mountain): I wonder if it would be agreeable to the committee to follow the same procedure as when the Department of Transport estimates were before the House, which allowed each member 15 minutes. I must say I was under the impression that was the case. Is that agreeable to the committee? I see heads nodding. My understanding is I will have 15 minutes, and by sitting down now to hear the acting prime minister respond I am not prevented from carrying on.

Mr. Sharp: Mr. Chairman, I certainly have no objection to reverting to the kinds of procedures that were agreed to when the Minister of Transport was before the committee. As I understood those rules, there were various alternatives. An hon. member can take 15 minutes and make a speech without expecting any reply. He can make a shorter speech and have the minister reply for the rest of the 15 minutes. He could use the 15 minutes for a question and answer period, with the minister's reply being part of the 15 minutes. I am certainly prepared to go along with that.

Mr. Clark (Rocky Mountain): I hope the Acting Prime Minister will not follow in the shadow too closely of the man he is replacing and will answer briefly so I will have a chance for one or two more questions.

The Deputy Chairman: Order, please. It has been suggested by the hon. member for Rocky Mountain that the rules that were applied when the Minister of Transport was before the committee be adopted for the remainder of the sitting of this committee. Is that agreed?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Chairman, as I understood the question put by the hon. member for Rocky Mountain, it was, what procedure should there be for a regular review of the operations of the Privy Council office? I thought that was what we were engaged upon today, and were engaged upon when the estimates were before the Standing Committee on Miscellaneous Estimates. I have some difficulty because for the most part in our discussions so far there have been general statements and not specific questions. If the hon. member has some specific questions he would like to put to me, I have some officials in front of me who are members of the staff of the Privy Council office and they can assist me in answering.

Mr. Clark (Rocky Mountain): Mr. Chairman, I thought I was putting a specific question. At least for members on this side of the House this arrangement is completely unsatisfactory because in the standing committee we cannot get the responsible minister, since that is the Prime Minister. When we take the extraordinary step of coming into the House of Commons, we have a situation where the Prime Minister talks for a long time and then leaves. I think what is going on in the Privy Council and in the Prime Minister's office, according to the testimony of Mr. Gordon Robertson and others, is sufficiently important that it should be subject to at least the kind of regular review as the estimates of the Post Office.

Let me ask the acting prime minister this: As his parliamentary secretary at least will be aware, I proposed, and it came up for debate on December 9, a private member's resolution in the following language:

> That, in the opinion of this House, a committee should be selected to consider the powers, prerogatives and privileges attaching to the office of Prime Minister and to report what safeguards are desirable or necessary to secure the constitutional principles of the sovereignty of parliament and the supremacy of the law.

I would be quite happy to extend that to include the Privy Council office. In light of the problem that is certainly seen from the point of view of the opposition, if there is in fact a system of responsible government, there should be some concern for the point of view of the opposition. Will the Acting Prime Minister consider establishing that kind of committee, or taking some other steps to ensure there is provision whereby parliament can regularly deal with a responsible minister on policy questions relating to the Privy Council offices without having to resort to the extraordinary procedures we have had in this case?

Mr. Sharp: Mr. Chairman, I do not think these are extraordinary procedures. I know the hon. member has not been in the House very long. Perhaps I might review how

the estimates of the Privy Council and the Prime Minister's office were handled in the past. When we had the old rules in the Pearson administration, the estimates were handled by my predecessors in office, the presidents of the privy council.

Mr. Lamontagne, now Senator Lamontagne, handled them in December, 1963. Mr. McIlraith handled them in April, 1964. Mr. Favreau handled them in February, 1966, and in June, 1966. In 1967, it was the president of the treasury board who handled the estimates. Therefore, there is nothing extraordinary about this procedure. Indeed, I sometimes wonder why the issue is being raised now when it was not raised in 1968 when my colleague, the Minister of Energy, Mines and Resources, was president of the privy council and handled the estimates.

Mr. Stanfield: We knew there was no use asking him anything.

Mr. Clark (Rocky Mountain): I take it from that recitation of past history that the acting prime minister does not intend to change this situation where we cannot get a minister before the committee and we cannot get a deputy minister before the committee. When the Prime Minister shows up, he talks for most of his time, usually irrelevantly, and then leaves. Is that the only kind of supervision the House of Commons is going to have, what the Acting Prime Minister delights in calling a responsible system, over the estimates and activities of a group which by definition co-ordinates the policy of the Government of Canada? Am I correct in understanding there is to be no change in that situation of secrecy and impossibility of direct access?

Mr. Sharp: Mr. Chairman, I am still waiting for the questions. I have been sitting here patiently and I have listened to arguments that we are not responsible. I am sitting here prepared to take the responsibility. I would like to have the questions put to me.

Mr. Clark (Rocky Mountain): My only response is that I am waiting for an answer to a question I have put three times in quite specific terms. My impression is that the answer is there will be no change in the hiding away of the Privy Council and the Prime Minister's office relevant to questions about policy, and there will be no change in the situation where no responsible minister appears. I wish to ask the Acting Prime Minister whether the Privy Council office is now preparing any proposals on parliamentary reform. Where are those proposals? What are they? What kinds of reform do they anticipate? What is the procedure to bring them to this House of Commons before they come here in the form of a bill, or is that being left entirely to a group of civil servants who operate some distance from this House whose rules will be effected, without any ready access by this House to them?

Mr. Sharp: Mr. Chairman, perhaps I should remind the hon. member that as President of the Privy Council and chairman of the House committee on procedure and organization, in so far as the rules of the House are concerned I do have some responsibility which I plan to discharge. I have received excellent advice from parliament, the hon. member for Peace River, the hon. member for Winnipeg North Centre and my parliamentary secretary—very experienced men. I doubt very much whether officials of the Privy Council office have as much experience as we have, and certainly none of us would want them to bring in the reform of parliament.

It is true that from time to time I do consult with some of the people who have some responsibility to me, for example the secretary of the committee on legislation and House planning, which is one of the committees I happen to chair in the cabinet. I ask his advice. He is an experienced man who has been around for a long time. He is a distinguished lawyer and I find his advice extremely helpful. But I assure you, Mr. Chairman, that as President of the Privy Council I take responsibility in matters concerning the reform of parliament.

● (1720)

The Deputy Chairman: I regret to interrupt the hon. gentleman, but his time has expired. Before calling upon the hon. member for St. Paul's, I should like to announce the subjects of the adjournment debate this evening: the hon. member for Vancouver South—Supply and Services; the hon. member for Northwest Territories—Indian Affairs; the hon. member for Carleton-Charlotte—Transport.

Mr. Roberts: Mr. Chairman, I have been somewhat puzzled by the debate so far, and a little disappointed.

An hon. Member: My heart bleeds for you.

Mr. Roberts: Hon. members on the other side are often disappointing, and I am disappointed with their performance today. I am disappointed because I have been reading some of the articles which have been published by the hon. member for Rocky Mountain. I believe, like him, that there are important questions which should be discussed in some detail concerning the role of the Prime Minister's office and of the Privy Council office. It is important that the House should understand the function of these offices in the governmental process and their relation to this House.

I was surprised, therefore, when the hon. member went off on a tangent. He complained, for example, that the Prime Minister was only here for an hour every day for questioning. Only an hour! If one goes to Great Britain one finds that the members of the British House are extraordinarily pleased when the prime minister comes into the chamber to answer questions twice a week for about 15 minutes. If one talks to U.S. congressmen or senators, as I had the pleasure of doing a few weeks ago, one finds they are astonished that the leader of the government should come into the House of Commons for an hour a day to respond to questions of which he has been given no notice. They find this difficult to believe. When they see it in operation they are even inclined to think that it is a show staged for their benefit. Nowhere in the world has a legislature more opportunity to question a leader of government than is the case here in Canada.

I was surprised, again, when the hon. member complained about the length of the Prime Minister's statement today. If the Prime Minister had come in with a statement lasting five minutes, or ten minutes, the very same member would be complaining that the Prime Minister

had not taken the trouble to prepare a serious speech for the benefit of the committee. If he had made a short speech, members opposite would have complained he had not taken sufficient time to explain the situation.

An hon. Member: You are pettyfogging now.

Mr. Roberts: The hon. member says I am pettyfogging. He is being merely petty.

There remains the question, why has there been an expansion in the role of the Prime Minister's office and an increase in the number of its staff? The same question applies to the Privy Council office. The answer is the same as the one which explains the growth which has taken place in the office of the Leader of the Opposition. The same answer accounts for the growth of, for instance, the office of the Premier of Ontario. It applies to virtually every government in the past ten years.

There are two reasons for the growth which has taken place. The first is the pressure of detail in government, and the second is the pressure of time. How are contemporary governments to deal effectively with the mass of detail which demands their attention and the pressures on time when proposing legislation, when proposing expenditure, when proposing budgetary policy, in societies as complex as those of today? Again, how are governments to find the amount of time required, including time for consultation with opposition parties, between ministries, with government members, with outside interests? How can the executive be organized effectively in such a way as to allocate correctly the time available for necessary discussion before coming to a decision? These are the factors which in our system lead to the necessity of providing help—

An hon. Member: I think Parkinson understood the process better than you do.

Mr. Roberts: If the hon. member wants to refer to Parkinson, it is interesting that there should have been a faster rate of expansion in the staff of the Leader of the Opposition than there has been in that of the Prime Minister. Perhaps he needs a lot more help, for reasons which I think are obvious to members of the House.

There is a need for assistance. There is a need for a fusion of political and governmental responsibility at cabinet level, and at the level of the Prime Minister. We may not like this. We may feel it would be preferable to adopt the American system. But in a parliamentary system, this is where the fusion takes place, the fusion of government and political authority.

We have two instruments to assist the cabinet. One is basically political though not particularly partisan—the Prime Minister's office. It is not simply a service provided for the Prime Minister, but it is intended to assist the cabinet in its political function. The other is the Privy Council office, where expansion has also taken place, to assist the cabinet in the performance of its governmental functions.

I had hoped that the hon. member for Rocky Mountain would discuss today his theory that this expansion is leading to the presidentalization of Canadian politics. In my view, the arguments he has presented in an effort to substantiate this point, in newspapers and elsewhere, misconstrue the fundamental nature of the system which has been established. The basic difference between the operations of the PMO and the PCO and a presidential office is this—that those of the PMO and PCO are essentially staff functions; they are not executive functions but an advisory role undertaken in relation to the cabinet. To repeat, the PMO and the PCO are not executive arms.

Why is their advisory role necessary? Members may recall the words of President Kennedy when he was trying to explain how he became involved in the Bay of Pigs operation. He said: I should have learned long ago that I ought not to rely only on the experts. Any leader of government who relies upon advice from only one source will inevitably end up in trouble. The function of the PCO and PMO is to provide alternative sources of advice. The Privy Council office provides views alternative to those furnished to the cabinet through the ordinary departmental mechanism of the civil service. The Prime Minister's office provides the Prime Minister and the cabinet with a source of advice in relation to political issues alternative to that provided by the House, by caucus and by other means. The objective is to ensure that the range of options open to the cabinet is as wide as possible.

The hon. member for Rocky Mountain asked why parliament is not involved in this privy council activity. The answer is that there is a distinction between the executive and parliament—between the government and parliament.

Parliament is not an executive arm. It is, if you like, the inquest of the nation. It has a right to assess what the government has done; it assesses a budget before passing on it; it assesses legislation before passing on it; it assesses expenditure—rather badly, I think—before passing on it. Parliament is, I repeat, the inquest of the nation, it is the forum for grievances and it is the method of judging the performance of the government—but it is not the government itself. That is why there is not an integral participation by members of parliament, or of parliament, in the Prime Ministerial office or the Privy Council office. They are part of the organs and structure of government. They play an advisory role in decision taking. Parliament plays its role not in decision making, but in scrutinizing and control.

● (1730)

What does that imply, as the hon. member for Winnipeg North asked for the necessity, or the difficulty, of establishing open government in Canada?

Mr. Baker (Grenville-Carleton): It closes the door.

Mr. Roberts: I suggest to the hon. member that it does not close the door. He might find it interesting to have a look at a book by George Reedy, President Johnson's press secretary, called "The Twilight of a Presidency". Mr. Reedy discusses the problems that are inherent—

An hon. Member: That is exactly what we mean.

Mr. Baker (Grenville-Carleton): It not only closes the door, it locks it.

Mr. Roberts: If hon. gentlemen will contain their impatience for a moment I will make the point better than they ever could, and then answer the point as they never could.

Reedy points out that there are difficulties in establishing any institutional set of information arrangements around a president. These arrangements have a tendency to become themselves clogged channels, and hold the president off from the necessary range of information that he needs to come to effective decision making in relation to the problems that are before him. There is a danger, in other words, given the pressures of time and the pressure of detail—there is a danger of isolating the executive office from the political context.

Fortunately in a parliamentary system we have arranged methods of communication which side step that difficulty—which avoid a political isolation of decision making. They are relatively simple but they are extraordinarily important to the operation of a parliamentary system. The first is one which the hon. member for Rocky Mountain touched upon, and that is the question period.

Unlike an American president, the Canadian Prime Minister every day in parliament comes down to the House to listen to questions, to answer questions, to be here for an hour to respond to points which are made, without notice, by members of the opposition. Even if he wanted to it would be impossible for him to insulate himself from the currents of opinion, welcome or unwelcome, which are presented to him in the Commons.

Secondly, he has each day of each week—

Mr. Lefebvre: It would not be so bad if they were at least good questions.

Mr. Roberts: Well, it is very difficult to get good questions from the opposition, but I think we should be charitable and admit that once in a while they come up with one.

The opportunity is there—and the impossibility of insulating himself from public opinion, and the impossibility of insulating himself from contact with the opposition arguments, force a Prime Minister, unlike the presidential system, to come down and open himself to the attack of the opposition on the floor of the House every day that parliament is sitting.

The second device we have, which is very important to a parliamentary system, is that of the caucus meeting. Every week, once a week, for between two and three hours the Prime Minister must open himself up to the confidential but very effective scrutiny, comments, criticism, advice and exhortations of party members. He is plunged into the middle of a team process, a political team process which makes him necessarily sensitive to the currents of opinion in the country.

An hon. Member: That would be alright if you had a good team.

Mr. Roberts: Well, the Canadian electorate at the last election decided we had a much better team than that team which sits over there.

Some hon. Members: Hear, hear!

Mr. Roberts: The third aspect, which is of enormous importance, is the very institution of Cabinet government. It says that the Prime Minister cannot rely simply upon those throughout the nation he would wish to appoint to be his servants as the executive. He allies himself with a group of politicians, with their interests, with their careers, and with their political sensitivity. He is the leader, the first minister of the party, but he is not a dictator in Cabinet. He operates basically in a consensus forum, and he must carry with him that group of politicians with whom he is associated.

It is simply not possible for a Canadian Prime Minister to isolate himself from the currents of political opinion, as so unfortunately has been seen to have happened in the United States under the presidential system.

I would argue that the growth of the Prime Ministerial office and the Privy Council office, to which members of the opposition have objected, is not in conflict with the responsibilities of the Prime Minister in the House of Commons, but indeed enhances the latter. For the blunt fact of the matter is that one man, a Prime Minister, or even a group of men in Cabinet, are not going to be able to control sufficiently a mass of civil servants with the complexity of the problems with which Cabinet must deal, and in the detail with which those civil servants must deal with them, unless they have advisory help.

It is the Prime Minister and the Cabinet, not civil servants, who must come down to the House of Commons and persuade members in the House. They count upon the support of the House of Commons, but in turn they are the agents of the House of Commons, agents who control civil servants.

You can, if you wish, deprive them of staff and support, deprive them of the people who give them assistance, and deprive them of the advisory expertise and knowledge they require to dominate the civil service and make sure the civil service follows political direction. What you will have done is not increase the responsiblity of the government to the opposition, what you will have done is create irresponsible government. It will be irresponsible because you will have placed civil servants beyond the effective control of the Cabinet and, therefore, beyond the effective control of the House of Commons itself.

If you really believe in the responsibility of government and administration to political leadership, and if you believe in the responsibility of the Cabinet and the Prime Minister to the House of Commons, and thus to the people, then give the Prime Minister and give the Cabinet the kind of staff they need to make that responsibility effective in dealing with the civil service structure. If you deprive them of staff, assistance, and the expertise they need, you will cut them off at the knees; you will indeed make them weaker in dealing with the administration of the government, but you will not have enhanced the power of the House of Commons to control the destiny of this country.

Mr. McGrath: Mr. Chairman, the President of the Privy Council in a reply to the hon. member for Rocky Mountain tried to make a case for the fact that his presence here today in connection with the passage of these estimates is merely following the accepted practice of the House. He raised the question as to why this matter is even now being raised as an issue.

It is an issue because the question involves accountability, as put forward by the Leader of the Opposition, and the

right of parliament through its committees to hold government departments and public servants accountable for expenditures of public funds.

Why then do we depart from the procedure that has been followed in connection with the estimates of the Privy Council office and the Prime Minister's office? It is because of the growth in size and power of the office of the Prime Minister since the present incumbent was sworn into office.

The Prime Minister has talked about a presidential system. I submit that we are being denied the right, in the context of a new rule of the Prime Minister's office and the office of the Clerk of the Privy Council, to examine the spending estimates of what is in fact now a fully fledged department of government. In being so denied, the government has set up, ipso facto, parallel power. We have arrived in fact at almost the point where we have a presidential system in this country.

We have seen the role of Cabinet ministers being diminished concomitant with the increase in the power of the office of the Prime Minister and the office of the Clerk of the Privy Council. At the same time we now have growth, in importance and in frequency, of the federal-provincial conferences of ministers—meetings of first ministers. All of these things erode parliament and the power of parliament to hold the government accountable. The government denies us the right to examine in committee the estimates of this new department of government, which was so described by the former Clerk of the Privy Council when he said, or referred to it as a department which provides its minister with analyses, advice and recommendations on the objectives of the department. So the Privy Council does give the Prime Minister information, analyses and advice on the totality of policy, and it has clearly emerged as a department of government.

● (1740)

That brings us to the question of why we are following this procedure today. Before the Miscellaneous Estimates Committee of this House, we were denied the right to examine the Clerk of the Privy Council. We were denied the right to examine a man who is in effect, deputy minister of a department. We have the evidence of the President of the Privy Council who appeared before the committee and admitted that he had no administrative responsibility for these estimates. So we have taken the only route open to us, that of taking an opposition day for the purpose of bringing these estimates to the House and for the purpose of giving some credence to the argument put forward by the President of the Privy Council that, to say the least, it is unusual for a Prime Minister to be called before a parliamentary committee. So we arranged to have his estimates brought before the Committee of the Whole House.

In doing so we did it on the understanding that the Prime Minister would be in the House not only to explain the substantial increase in his spending estimates, and not only to explain the change in the role of the office of the Prime Minister and the office of the Privy Council but also to answer questions in relation thereto.

What happened? We had the Prime Minister here for less than two hours. A good part of that time, an hour and 25 minutes, was taken up by the Prime Minister himself even though there was a clear understanding that we would be operating under the same procedure that applied to the estimates of the Department of Transport which were before the House last week. That was the understanding to which we agreed. As my leader said, we allowed the Prime Minister to lead off because the estimates are his and it is only right that he should defend his estimates, and also in recognition of the importance of the office of the Prime Minister, not realizing for a moment that he would come before the House, use up his time, and take off for parts unknown.

The Prime Minister should have been in the House for the continuation of this debate. He could have delegated the President of the Privy Council to represent him wherever it is he must be tonight, or he could have delegated the parliamentary secretary to the President of the Privy Council, because there is nothing as important as the function of this parliament in that every minister, whether or not it be the Prime Minister, must be accountable to parliament for the spending of estimates.

It is rather interesting that one can trace the growth in the expenditures and power of the office of the Prime Minister to the new rules adopted by the House when parliament in 1968 gave up the right to withhold supply, when we gave up committee of supply and our traditional rights under the British parliamentary practice. At that moment we lost control of the public purse, and at that moment we had the growth begin in the size and expenditures of the Prime Minister's office and the office of the Privy Council.

Then following that we had the regional desks. What happened to them? We know what happened to the roster system whereby ministers were denied the opportunity to go to the House daily to be accountable during the question period. We also had the economic advisory committee or the finance advisory committee that was set up with ultimate and parallel power to that of the Department of Finance. All these things concern us. This is the reason why we wanted to have the Prime Minister in the House today.

We do not want to talk about chandeliers and ash trays but rather the real gut issue, which is the fact that the Prime Minister and his office now wield power while accountable to no one. Under the present system the Prime Minister has power and authority and is accountable to no one. Clearly we have the emergence in Canada of a separation of the executive from the parliamentary system. We now have the Prime Minister's office wielding power at federal-provincial conferences. We have the emergence of the federal-provincial secretariat. Hardly a month goes by when there is not a federal-provincial conference of some kind, and of course we have the annual conferences of first ministers. All of this is in keeping with the emergence of the Prime Minister's office and the fact that the office is no longer accountable to parliament.

Mr. Reid: No longer?

Mr. McGrath: No longer accountable to parliament. Perhaps the parliamentary secretary will explain why the Prime Minister is not in the House today to answer questions on his estimates?

Mr. Reid: Mr. Chairman, I think the short answer to that is that the government told the House of Commons a year ago—

Mr. McGrath: Mr. Chairman, the parliamentary secretary will have ample time to speak on his estimates and perhaps he will explain to us how it is that the estimates of the Prime Minister's office have increased over 40 times in the past ten years. Perhaps he can also explain to us the growing practice of the government to hire outside consultants, a practice which has even found its way into the office of the Prime Minister and the office of the President of the Privy Council. There is an item in the estimates of $1 billion this year for consultants.

I should like to ask the President of the Privy Council a question concerning security. We are now told by the former President of the Treasury Board, the present Minister of Public Works, that every department of the government now has within its estimates funds dealing with security. Perhaps he will explain the role and function of the officer for security planning, and what kind of budget he has.

He might tell us what the relationship is between this function and the communications branch, for example, of the Department of National Defence. Perhaps he will explain the relationship of this security planning officer to the RCMP. To whom does he report? Exactly what are his functions vis-à-vis these other security services I have mentioned. Also at the same time the President of the Privy Council might tell the committee exactly how much of the funds within the estimates are allocated for security purposes about which this House has no knowledge.

Mr. Sharp: Mr. Chairman, perhaps I should begin by giving a rather general description of the functions of the Privy Council office and quote from the document that has been referred to with such admiration by various spokesmen for the other party, that is, the paper on the changing role of the Privy Council by Gordon Robertson, who at that time was Secretary to the Cabinet. He said some interesting things about the role of the office of the Privy Council which refer to security as well as to other matters, and I will deal with that after I have dealt with the general principles.

Mr. Robertson at page 19 of this paper said this:

> The Privy Council Office operates no programs and administers no projects except those which are related to its own housekeeping. Administration and action are with the departments. It is the minister who is responsible and his department that acts. The Privy Council Office remains aware and is frequently informed or consulted, but enters the game only if inter-agency operation is required where a 'neutral' can provide a co-ordinating service or where there is a requirement for counsel and assistance that can only be provided by those with a general view.

Mr. Clark: Quote from page 15.

Mr. Sharp: Yes, I could quote some others, but this is sufficient to illustrate the role of the Privy Council within the government. In the case of security that is its function. It is a co-ordinating function. It provides a secretariat to the cabinet committee, and when necessary it takes a co-ordinating role in seeing that the various activities in this field are co-ordinated, and of course if the matter gets to the cabinet committee it acts in the secretariat capacity. It never takes the lead. It is a co-ordinator, just as are other members of the staff of the Privy Council office.

Mr. McGrath: Mr. Chairman, the President of the Privy Council has just described virtually to the letter the function and the role of the co-ordinating security planning committee of the Department of the Solicitor General. How can he explain the duplication?

● (1750)

Mr. Sharp: Quite simply, because there are various departments that play a role in security, the Department of the Solicitor General, the RCMP, the Department of National Defence, and various other departments. The hon. member must remember that all departments have a security function with respect to their own papers and to their internal security. That applies to the Privy Council Office as well as to all departments.

Mr. McGrath: The President of the Privy Council has told the committee that the security division of the Privy Council Office is primarily a co-ordinating function relating to all departments of the government. This has been the explanation given to the House by the Solicitor General of the role of the security planning group within that department. Now we find we have two co-ordinating security planning groups. Perhaps the President of the Privy Council will answer the part of my question dealing with the cost of the so called security co-ordinating planning division within the Privy Council Office.

Mr. Sharp: I repeat what I have said, that the Department of the Solicitor General has the responsibility for the co-ordination of security in so far as police are concerned; it does not have responsibility for the security of the Department of National Defence or of the Department of External Affairs. These are very special problems. There are occasions when it is necessary to co-ordinate all the security activities of the government, which is the function of both the committee and of the supporting staff of the Privy Council Office.

Mr. McGrath: Mr. Chairman, I would now like to deal with another phase of the responsibilities of the PCO and PMO, particularly as they affect parliament. I am speaking now of the role and the emergence of the federal-provincial conference as an intricate, permanent structure in our governmental system which was never provided for in the constitution. I will say that it is to the credit of the President of the Privy Council that he has expressed concern over the erosion of the power of parliament vis-à-vis the estimates of the government, but I would like to ask him if he can tell the committee whether there are any plans to involve parliament in the federal-provincial process which has now become a separate and alternate function of government. If so, perhaps he will tell us who is responsible for the liaison between the functions of these federal-provincial conferences and parliament, and how far parliament will be involved in that aspect.

Mr. Sharp: When the estimates of the Privy Council Office were before the Standing Committee on Miscellaneous Estimates there was some discussion of the role of one of the functionaries within the Privy Council Office, namely, the secretary responsible for the organization of

federal-provincial conferences. At that time it was explained that he had nothing to do with the policy side, that he was concerned with the physical arrangements, with the calling of the meetings in response to decisions made by the various provincial and federal ministers, for the secretariat, for the translation facilities, and for hospitality. There is, however, as the House is well aware, a secretary now, Mr. Gordon Robertson, who has assumed a new function of secretary for federal-provincial relations. This illustrates how important this aspect of the work of the government has become.

In so far as the control of parliament is concerned, it is exercised over these activities just it is exercised over activities that do not involve agreements between the provinces and the federal government. Perhaps I could illustrate one way in which parliament controls, that is, through the approval of legislation. For example, on the Order Paper there is a bill which will alter the Federal-Provincial Fiscal Arrangements Act. That bill will come before parliament, and the financial arrangements between the provinces and the federal goverment will be discussed in parliament and approved before we can enter into an agreement to amend the agreement which underpins the revenues of those provinces that have less than the national average income.

There are agreements such as the informal arrangement that has been made regarding the price of oil. These matters were debated in the House when we had a discussion on the Petroleum Administration Act. There are agreements relating to health and welfare. They are concretized, I might say, in the various expenditures to pay part of the cost of hospitalization or medicare. These are approved by parliament when the estimates of the department which enable the Minister of National Health and Welfare to carry out these undertakings are approved by parliament.

So it seems to me that parliament does exercise the same control over federal provincial arrangements as it exercises over any other activity of the federal government, whether such activity results in an agreement with a foreign country or with a province, or whether it is something that is undertaken unilaterally by the federal government itself. I do agree with the hon. member that these arrangements are of growing importance.

There is no doubt that there has been a considerable revolution in the last generation in the relations between federal and provincial governments. I can look back in my career to a time when arrangements with respect to the finances of the provinces being supported by Ottawa were undertaken in relation to the emergency of the war. These have been transformed into extremely large expenditures by the federal government to underpin the revenue of those provinces which happen to have less than the national average income. I do submit, however, that I do not think any additional scrutiny is requred. When I look at the federal-provincial arrangements that are made it seems to me that all of them have been made pursuant to the approval by parliament either of the expenditures or of the underlying legislation.

Mr. McGrath: Before you call it six o'clock, Mr. Chairman, I want to point out that the minister did not answer a very important part of my question in which I asked how many departments have hidden within their estimates votes dealing with security. Perhaps later on when we resume the session he might be inclined to identify these departments.

The Deputy Chairman: May I remind the hon. member for St. John's East that the time allotted to him has expired.

It being six o'clock, I do now leave the chair until 8 p.m. this evening.

At six o'clock the Committee took recess.

AFTER RECESS

The Committee resumed at 8 p.m.

[*Translation*]

Mr. Fox: Mr. Chairman, since 3.15 p.m. this afternoon, we are going through a so-called allotted day. As it is its right, the opposition has decided to discuss the estimates of the Prime Minister's office and the Privy Council office. Had little Alice been here today she might have thought she was back in wonderland where things seem to be what they are not, where grotesque borders on ridiculous, where reality hides behind myths, which are in turn passed for realities when realities are passed for myths.

The purpose of this allotted day is to discuss the estimates of the Prime Minister's office and the Privy Council office for this year. Listening to the learned opposition spokesmen, we find that they have in turns shouted very loudly to say that they have a basic right to ask detailed questions in order to apply a tight control on public expenditures. But this having been said, what are the fundamental questions which may be put? François Villon used to say, in his old refrain:

But where are the snows of yesteryear?

One might wonder, this debate having started as it did: But where are the questions of yesteryear? Yes, there is a clamor that the privilege of putting questions is being repressed. But the fact remains that all questions must be put if the opposition so wishes. But when it comes to putting specific questions our Don Quixotes opposite seem to transform themselves into whispering "dons". We have heard much rhetoric but few pertinent questions.

The hon. member for Rocky Mountain (Mr. Clark) surpassed himself when he said the Opposition exercises no control over the daily activities of the government in this House. That would constitute a terrible if not terrifying admission of weakness on the part of the Opposition. I suspect, however, that the hon. member's words went beyond his thoughts. In fact, the situation is entirely different. The Opposition knows to what extent it can delay implementation of a government legislative program through dilatory tactics. One need only look at the facts: For how long has the Opposition delayed the creation establishment of a national petroleum corporation? For how long will it continue to do so before the committee of the House considering this bill? We do not know. For how long will the Opposition continue to block the passage of

the antitrust act, to prevent conglomerate exploitation of Canada's consumer markets? When I hear the Opposition say things like that, I really think I am in wonderland, where white means black and no means yes.

Mr. Chairman, the basic error of the Opposition is to consider that they are Parliament. This is a false equation. Parliament is all of us, on both sides of the House. And when an act is passed by a majority of members of Parliament, that means the Canadian people in its wisdom wanted it to be so.

De Tocqueville said in his famous book *Democracy in America*:

> Governments must govern.

And it is precisely what the population of this country expects. Of course, the Opposition must be strong, intelligent, efficient, and play its role fully. However, it is time for modernization in this honourable chamber, so that governments, whatever their political stripe, might present legislative programs which would really meet the wishes of the people, and have them accepted. I fully endorse the idea that debates should be limited, that once the Opposition has had the opportunity to express its views, the matter should be settled democratically, without delay, by a vote. I always wonder what is the use of hearing 30, 40 or even 50 speeches on practically the same subject. The parliamentary system in England has made much progress in that respect. Why should we refuse to avail ourselves of as modern a parliamentary system as the English have? Some seem to consider it an honour to make the House of Commons as little efficient as possible.

The hon. member for Rocky Mountain asked a question to the President of the Privy Council (Mr. Sharp). He asked in particular whether the Privy Council Office was preparing draft reforms of the parliamentary system. The form of the question seems to imply that were it so, such work would be fatal and condemnable. For my part, I deeply wish many people, both inside and outside the government, were interested in the matter. I would be particularly disappointed if the matter of parliamentary reform were one the Prime Minister did not care about. However, the Opposition seems to say that it would be disappointed to know that such is the case.

The hon. member for St. John's East (Mr. McGrath) launched a serious attack, a so-called serious attack, against the Prime Minister's Office. He believes that the Prime Minister's Office is used for the setting up of a parallel power structure which would turn the parliamentary system into a presidential system. The prime minister himself dealt with that question in the House earlier today. It is enough to know that the prime minister was here this afternoon, that he was willing to answer questions during more than half an hour, even though no question has been addressed to him, to conclude the contrary.

One is not a good observer . . .

Mr. McGrath: The Prime Minister did not give us the chance to ask any question!

Mr. Alexander: He did not answer any question, he left the House!

[Mr. Fox.]

Mr. Fox: The hon. member for Hamilton West (Mr. Alexander) is saying that the prime minister did not answer questions at that time, and he is right because the members of his party refused in a way to ask him any question during that period.

● (2010)

[*English*]

Mr. Alexander: On a point of order, Mr. Chairman, I dislike interrupting a very dull speech but I think for the record it should be noted that what I indicated is that the Prime Minister did not stay around to answer questions. He took an hour and a half to give another dull speech and then departed on the pretence of having to go some place—I think he really had to go some place but it was a planned effort on his part to see to it that no questions were asked of the government House leader.

Mr. Stanfield: With the connivance of the government House leader. His credibility is zero.

[*Translation*]

Mr. Fox: Mr. Chairman, of course the hon. member failed to note certain facts, for example, that it was at the request of the Opposition that the prime minister proceeded that way, and he could have been here to answer the questions and, indeed, he was here during half an hour. But there is no need to continue the discussion on that matter because in my opinion the facts are clearly on the record and particularly in today's *Hansard*.

Mr. Chairman, to return to what I said before that interruption which might not be irrelevant but surely is not relevant, the hon. member for St. John's East stated that he believed that the Prime Minister's Office was used to set up a parallel powers structure which would turn the parliamentary system into a presidential system.

But one does not have to be a very keen observer to note that the main feature of the Trudeau government has been to set up machinery and structures which would allow the men elected by the people to govern for a period of four years, to really control the huge federal bureaucracy instead of being controlled by the system.

When one considers objectively the cabinet committee system described by the Clerk of the Privy Council which the hon. member for Rocky Mountain referred to this afternoon, when one considers the funds made available to all federal parties for research purposes, when one considers the funds made available to members in order to help them do a better job, one can only conclude that there is a real effort to ensure that members of parliament, and that includes the government, can fulfill their task better.

Listening to the opposition, one rather has the impression that they seek a weakening of the Canadian executive. Would that really be in the interest of this country? For my part, I do not I think so. We need a strong executive to face the problems of contemporary society. And I think there is no incompatibility at that level. In our system, it is a challenge to be met so as to have both a strong executive and a House of Commons that can still fulfill its task.

The hon. member for Saint John's East also talked about the roster system.

Here again I must differ in opinion with the hon. member. Sometimes I wonder what is the point in having all federal ministers in the House every afternoon of the week when several are never asked any question during the oral question period.

We certainly wish to have a Cabinet composed of ministers able to assume their duties. We should once more rationalize our procedures at that level and make sure that when those ministers will be in this House we shall have questions to ask them. As I said, we certainly have some lessons to learn from the question periods in the British legislature. Every member of the Procedure and organization committee who visited Westminster in January could realize that the questions asked were becoming more and more relevant and knowledgeable as during an oral question period, the questions were put only to one or two ministers. And in fact, the system seemed to function very well there even though their population is much larger than ours and obviously their problems are quantitatively if not qualitatively more numerous than ours.

This afternoon we also discussed the federal-provincial relations and in that respect, I think that the hon. member for St. John's East (Mr. McGrath) raised a very important point in our system. And this is one of the reasons why I am so pleased to see in the estimates that the government tries to improve the whole situation concerning the federal-provincial relations. For some parties in this House, those relations consists only of presenting in this House the views of the provinces. Some do not stop asking the government why it does not agree to the view of such or such provincial minister. And eventually we forget the role of Canada's Parliament, the role of the national parties, we forget that national interest must override local interest.

This is why I am so pleased to see that the Prime Minister (Mr. Trudeau) give so much importance to the whole area of federal-provincial relations particularly by appointing a senior official who is held in high respect by everyone in our country to take charge of the Secretariat for federal-provincial relationship of the Private Council Office.

Mr. Chairman, this more or less sums up what I wanted to say tonight. I would like to conclude by asking the President of the Privy Council (Mr. Sharp) a question relating to one of the items of the estimates of the Privy Council Office and to the management, or rather to the funds which were made available to the Public Research Institute established by the government during the last Parliament.

Hon. members will remember that this organization was set up following studies undertaken at the request of the government and carried out by a man who later became the adviser of the Leader of the Opposition (Mr. Stanfield), and it is definitely an organization from which a lot is expected. I wonder whether the President of the Privy Council could tell us when we can expect that institute to really start its operations and start issuing the kind of reports and work which are expected from it, and which the government had in mind when they accepted the implementation of the Ritchie report.

[*English*]

Mr. Sharp: Mr. Chairman, I understand the question relates to the Institute for Research on Public Policy. This institute had as its first director Mr. Ritchie, who is now in the office of the Leader of the Opposition. It is getting under way now. It has recruited some staff and its headquarters are in Montreal. It is hoped it will get under way with some project in the field of research and public policy in the next few months. I should perhaps remind the House that the institute now has fairly large sums of money at its disposal as a result of contributions from various companies, and also from the governments of Ontario and Quebec. It has had a total fund available from non-federal sources of $1,245,000. The government has undertaken to match the contributions that are made over the next seven years up to a total of $10 million.

I think the short answer is that this institution, which we think will make a useful contribution in advice to all of us in parliament, including the government, will shortly be producing some papers and some studies.

Mr. Baldwin: I understand that Mr. Ritchie did not have a strong enough stomach to stay that close to the Privy Council office.

● (2020)

Mr. MacKay: Mr. Chairman, briefly because of the time constraint due to the Prime Minister's penchant for filibustering his own estimates I wish to direct questions about the office and duties of the Prime Minister's principal secretary to the government House leader. I remind him that the office is powerful and prestigous. One of the predecessors of the principal secretary—I mean the present Minister of National Health and Welfare—said on page 27 of a lengthy paper he presented on September 8, 1971, entitled, "The Changing Role of the Prime Minister's Office":

> The principal secretary is the Prime Minister's chief of staff and main personal political adviser... he provides the Prime Minister with advice on a variety of policy matters and fulfils any assignment that the Prime Minister decides to give him.

He went on to say:

> ... with the approval of the Prime Minister, he may attend any cabinet committee meeting.

That approval, I suggest, gives him a unique opportunity to gain access to confidential and important information, and gives him powers and prerogatives equal to and sometimes greater than those enjoyed by cabinet ministers.

I wish to ask the Acting Prime Minister some questions. If he cannot answer tonight, perhaps he will take them as notice and answer another time. First I wish to ask a question concerning the guidelines concerning conflict of interest as set out by the Prime Minister, I believe on December 18, 1973.

What attempts did the Prime Minister make to ascertain whether Mr. Austin met the criteria set out in the statement of guidelines for public servants who are order in council appointees? Was any investigation carried out by the Prime Minister or anyone on his behalf? If so, by whom was this done? Also, did the Prime Minister cause his principal secretary to take an oath under the Oaths of Allegiance Act, or any other statute or regulation, which

would require the principal secretary to cease any solicitor-client relationship which might exist by virtue of his outside legal practice?

As I said a moment ago, it appears that Mr. Austin has access to most delicate information which, if he were to carry on any sort of solicitor-client relationship, as he ostensibly must have done when practising law, could involve or appear to involve him in a conflict of interest. I am not suggesting that it does, but I should be happy to hear some elucidation of this point.

Also, did the Prime Minister require his principal secretary to cease absolutely any outside business activity related to the practice of law or otherwise, and devote his full-time duties to the Prime Minister's office? Those duties should be extensive.

I interject at this point, because it is topical, a reference taken from the Montreal *Gazette* of today's date. Mr. George Radwanski, a noted columnist, has written an article under the headline, "PM painfully vague on questions vital to Canada."

I ask the Acting Prime Minister to take as notice and answer now or later, the question raised by Mr. Radwanski about the Prime Minister's vagueness: can he assure us that the PMO and PCO have been doing the type of job in providing policy input which would justify the extreme expense of these offices to the taxpayers of Canada? Although I wish to ask three or four other questions, perhaps the Acting Prime Minister can answer the questions I have already asked.

Mr. Sharp: Mr. Chairman, some aspects of the hon. member's questions I cannot answer tonight. I will certainly see that they are brought to the Prime Minister's attention, because only the Prime Minister may be in a position to answer some of them. I remind the hon. member that Mr. Austin had been a deputy minister. He took all necessary oaths. He made all arrangements about conflict of interest that are required of deputy ministers. It is my understanding that this, of course, continued when he became the principal secretary to the Prime Minister. I cannot answer some of the other questions unless I converse with the Prime Minister, but I will take them as notice. May I suggest to the hon. gentleman, who already has some questions on the Order Paper with respect to Mr. Austin, that the questions he has asked are the kinds of questions which also should be put on the Order Paper.

Mr. MacKay: Mr. Chairman, perhaps because of my own lack of careful preparation, I have been experiencing difficulty getting some of these questions put on the Order Paper. I will have to be more circumspect. I hope that the questions I have asked, placed on the Order Paper, and others I intend to put on the Order Paper in future will be answered promptly, and I hope the hon. gentleman will expedite the answers also to the questions I have raised tonight.

May I ask the Acting Prime Minister some more questions? Will he take up with the Prime Minister the question as to whether the Prime Minister is aware of some correspondence emanating from the Prime Minister's office. That correspondence contains the telephone number and address of the Prime Minister's office, and the

[Mr. MacKay.]

name "J. Austin Q.C," appearing as a letterhead. There is, for example, a letter dealing with Hearne Coppermine Explorations Limited and related matters, involving a dispute with the Department of National Revenue. If the Prime Minister is aware of this, does he feel that Mr. Austin has been following the proper course of action? Has he given sanction for his principal secretary to act as his own tax counsel and lend the prestige of the Prime Minister's office to this sort of activity?

I ask this because, as the letter appears to indicate, there is a substantial dispute involving the Department of National Revenue, and Mr. Austin appears to give the Prime Minister's telephone number and his office address, which indicates that Mr. Austin is in a very special position indeed, in dealing with any dispute with the Department of National Revenue, the sort of position in which many other taxpayers of Canada would like to be.

I do not want to be too hard on Mr. Austin. In view of Mr. Austin's obviously high opinion of himself, as reflected in his public statement that he received his Q.C. for merit as a lawyer, and in view of the glowing report attributed to the Prime Minister by Mr. Austin in an article in the *Financial Times* of Canada dated May 20, 1974, to the effect that the Prime Minister, "had a high opinion of my judgment and enjoyed the work that I had done with him in the energy situation," can the Acting Prime Minister assure the committee unequivocally, either now or in future, that the Prime Minister is completely satisfied that the principal secretary falls squarely within the guidelines which he and the late Prime Minister Pearson set out for public servants, and that the secretary enjoys the same confidence and esteem in the Prime Minister's mind as be obviously does in his own?

It would be better if he were to make that profession regarding confidence and esteem of his own volition instead of having Mr. Austin do it on his behalf. It would reassure us and the people of Canada to be told that the secretary, who enjoys extraordinary prerogatives, is completely and utterly devoted to his public duties, that he does not have any outside interests, and that he is not continuing to practise law or do anything which would detract from his substantial responsibilities as the Prime Minister's principal secretary.

Talking about the Prime Minister's painful vagueness on questions vital to Canada, Mr. Radwanski, in the Montreal *Gazette* article previously alluded to, said:

> In short, the government has given the impression of regarding consensus on any issue as something that exists or doesn't exist, rather than something to be actively created and shaped.

In view of the observations of that knowledgeable columnist I hope the Acting Prime Minister can assure us that men like Mr. Austin, who enjoy extraordinary prerogatives, remuneration, and prestige, are making an active contribution which will justify the type of responsibility they have been given.

● (2030)

Mr. Sharp: Mr. Chairman, I have now received information which I am sure will satisfy my hon. friend. I am assured that Mr. Austin is subject to exactly the same conflict of interest guidelines as ministers, and has fully

complied with them. These require us to be completely free of conflict of interest. The same guidelines apply to Mr. Austin and he has complied with them. On the other question the hon. member has put, I am not quite sure whether it is in order to ask questions that are already on the Order Paper. However, this question about the correspondence paper and about the telephone will be answered in due course.

Mr. MacKay: Mr. Chairman, I have one final question, if I have the time. Is Mr. Austin the individual or one of the individuals who drafted, assisted in drafting, or otherwise participated in the creation of the government guidelines to be observed by public servants concerning the conflict of interest situation? Did he have any input? Did he make any contribution toward the formulation of those guidelines?

Mr. Sharp: Mr. Chairman, I am sure quite a number of people were consulted. I do not know whether Mr. Austin was one of them. However, I can assure the hon. member that it was the ministers who worked on this problem for many hours over many days in an attempt to work out conflict of interest guidelines for themselves. They also participated in the preparation of the green paper which is now before the standing committee and which, I understand, is receiving a good deal more support now than before, when it was not understood.

Mr. Beatty: Mr. Chairman, I was intrigued earlier to hear the assertions by the government spokesman that it is unfair for us on this side to refer to the mutations which are taking place at the level of the Privy Council office and the Prime Minister's office and to refer to the evolution of a presidential system in Canada. Frankly I find myself somewhat in support of the government's position.

One need only look at the relevant differences between what is happening in Canada today and what is happening in the United States to recognize that the two situations are not comparable. In fact in the United States the position of the president vis-à-vis congress is substantially different from that of the present position of the Prime Minister of Canada vis-à-vis the House of Commons.

In the House of Commons we do not have any of the checks and balances written into the American constitution. In the United States the congress has the right and responsibility to confirm the appointment of officials chosen for high government positions. In Canada the government refuses to permit appointees to appear before committees before they go on the payroll. We had a case recently where we wished to interview the proposed vice-president of the CBC who, in time, will become president. The government refused. There was the invocation of executive privilege, or something similar to that. There was a refusal to allow the Clerk of the Privy Council to appear before the committee. That is one distinction between the Canadian and American system.

There is a difference in budgeting. Everyone who watches the United States knows that congress vetoes the budget proposed by President Ford. In Canada, when it comes time to stand up and be counted, the Liberal majority puts down any attempt to substantially modify the budget proposed by the executive. The same applies to the legislative program of the government. In the United States the president's legislative program is subject to change by congress. Such is not the case in Canada. Time after time when it comes down to the crunch, the Liberal majority will stand up and support, however disagreeable it may be, whatever it is the government had proposed.

I cannot cite any higher or better authority with regard to the attitude of the Liberal government concerning the role of parliament than that which was written by an obscure Quebec writer in February, 1963, Pierre Elliott Trudeau, who said:

> I would have to point out in the strongest terms the autocracy of the Liberal structure and the cowardice of its members.

Such is certainly the case when it comes to the legislative program of this government.

We have seen the difference between the United States and Canada with regard to legislative oversight in security and intelligence gathering institutions in the two countries. In the United States at the present time there are three different commissions or committees looking into the subject of intelligence gathering and security in the United States. In Canada we have discovered that the government deliberately presented to parliament estimates in which security items are hidden and which are misleading when people look at them to try to determine the substance of the items. To date the government has refused to let us know what items in the estimates are honest items and what items are not.

Then, of course, there is the behaviour of the Prime Minister today. One after another members opposite have gotten up to talk about how the Prime Minister has a responsibility to answer questions in this House. We saw a pretty good example today of the Prime Minister's contempt for parliament.

The Liberal members told us about the need for the Prime Minister to be here for question period. The Prime Minister was not here for the question period. He was busy writing speech notes which would take an hour and a half of House time which would have been available for parliament to scrutinize his estimates. He then proceeded to read his monologue into the record. He then took off, refusing to allow parliament to scrutinize his estimates.

The differences between the two systems are quite acute. What concerns me is that the position of the member of parliament in Canada, with this arrogant and overwhelming majority that there is at the present time, is considerably less than the position of a congressman in the United States. As a consequence the rights of the Canadian people are less than those of their counterparts in the United States.

I wish to ask a number of short questions of the minister. Perhaps it will be possible for the minister to give short answers as well. First, is the minister prepared to make available to members of the House of Commons a list of those items which do not have security items hidden within them so that we know which estimates are honest estimates and we will know on which ones, when we are voting on a non-security item, we are also voting money for security items?

Mr. Sharp: Mr. Chairman, when the estimates of the Privy Council office were before the miscellaneous esti-

mates committee this question was raised. I had a little discussion with some of the opposition members on that committee. I undertook to raise this question with my colleague, the Minister of Public Works, who had previously offered to give some material on a confidential basis. The response I received from the minister was that he would like to talk to me further about it. I undertook to the committee, and I again undertake, to try to work out some procedure whereby the information can be given without revealing any secrets which would harm the national security. However, I can give one assurance—

Mr. Baldwin: Here he is.

Mr. Sharp: The minister is now coming in. However, may I say there is nothing in the estimates we are now considering that is hidden in any way which relates to matters of security.

Mr. Beatty: Perhaps the minister can explain what is the budget for this year in terms of the cost of two groups within the Privy Council office. The first one is the assistant secretary to the cabinet for security and intelligence for his group. What are the details of the budget? Also, what are the details of the budget earmarked for the assistant secretary to the cabinet for emergency planning?

Mr. Sharp: Mr. Chairman, in the office of the secretary who is concerned with the cabinet committee on security and intelligence, there are four bodies.

An hon. Member: Bodies?

Mr. Sharp: Four officials. That is the extent of the expenditure.

Mr. Beatty: The minister says there is nothing hidden in the Privy Council estimates. How much money is allowed for this fiscal year for those two groups? If he gave an honest answer to the committee, he can certainly answer the amount of money allocated for those two groups.

Mr. Sharp: Mr. Chairman, perhaps we could go on to some other questions and this will be worked out. There is nothing secret about it. It means having to get their up-to-date salaries and working out for the hon. member how much that amounts to in total.

Mr. Beatty: Mr. Chairman, may I ask the minister what are the responsibilities of the assistant secretary to the cabinet for security and intelligence and the assistant secretary to the cabinet for emergency planning with respect to monitoring—and I am choosing my words very carefully—either directly or indirectly the peacetime activity of groups or individuals the government feels could become involved in future civil disorder? As background, I would bring to the attention of the minister the fact that following the FLQ crisis Lieutenant-General Dare was asked to prepare a study on the enhancement of crisis handling capability within the federal government structure, which recommended setting up part of this machinery. One of the responsibilities was to anticipate possible civil disorder and make contingency plans accordingly. I wonder if I might have the answer now.

[Mr. Sharp.]

● (2040)

Mr. Sharp: There are no such activities within the Privy Council office. There is nobody who acts in a capacity such as outlined by the hon. member.

Mr. Beatty: Has the hon. gentleman read the report which was prepared, and is he aware of the section in it which suggests it would be valuable to set up procedures whereby social disturbances in Canada can be anticipated? One of the statements in the report reads as follows:

> In Canada, the systematic use of indicators is not being fully exploited, nor is there much evidence to suggest that indicators are being employed systematically in other countries. On the other hand, at least some of the relevant factors are considered informally in the process of ongoing social research and analysis.
>
> A survey of current research on the prediction of social conflict using quantitative methods revealed that none of the methods studied could as yet produce reliable predictions. However, it is considered a promising area of research and it is concluded that studies should be pursued within the Canadian context.

What has been done in respect of this recommendation?

Mr. Sharp: I wish to assure the hon. member that this is not one of the functions of the Privy Council office. My understanding is that this is a responsibility specifically assigned to the Solicitor General.

Mr. Beatty: With respect to the transfer of activities of the CBNRC to the Department of National Defence, what is the nature of the activities of CBNRC? Is the information gained related essentially to defence matters, or is it related primarily to the Department of External Affairs and the responsibility of the Solicitor General with respect to security?

Mr. Sharp: There are some questions which I believe it would be inadvisable to discuss in open session, and security is one of them. I have spoken to my colleague, the Minister of Public Works, who is seated beside me and he agrees it might be advisable to give certain information to some members of the House who could treat the matter in confidence so that it would be clear that the government is not engaging in nefarious activities or anything of that kind. But I hesitate to discuss security matters in committee of the whole.

Mr. Beatty: Mr. Chairman, this matter was first raised fully two months ago and an undertaking was given at that time. Mr. Speaker suggested we might leave the matter until we returned after the Easter recess to see what had developed. Why has the government not consulted with the various House leaders in the course of the last few months in an effort to provide for a parliamentary oversight of security and intelligence organizations in Canada? Why was the minister personally one of those who refused to give unanimous consent to a motion under Standing Order 43 proposed by my hon. friend from Rocky Mountain and seconded by myself, which would have made provision for parliamentary oversight?

I have a further question to ask. It relates to whether the Prime Minister or the Minister of State for Science and Technology was giving correct information to the House of January 10, 1974. The Prime Minister was asked about the existence of a four-party intelligence treaty

between the United States, Britain, France and Australia. *Hansard* reported him as saying:

If the hon. member is referring to the specific treaty called UKUSA, the answer is that we are not party to such a treaty.

On March 24, in the committee on miscellaneous estimates, I asked the Minister of State for Science and Technology the following question—the committee report reads as follows:

Is there to the best of your knowledge, Mr. Minister, an agreement referred to as the UK-USA agreement which would affect the activities of the CBNRC.

MR. DRURY: There is an agreement, a security agreement, involving a number of countries including Canada and the U.S.A., but it is not a bilateral agreement solely.

MR. BEATTY: Would it include the United Kingdom as well? Is that what the U.K. in UK-USA is from?

MR. DRURY: You are correct.

And now I should like to ask the hon. gentleman this question: does Canada participate in an agreement with other countries with respect to the former CBNRC, which has been referred to as the UK-USA treaty? I am asking whether we are party to such an agreement.

Mr. Sharp: This is a matter which does not refer to the activities of the Privy Council office. Perhaps it is a question which could be addressed to a minister who does have some responsibility. I did not come prepared, and I have no officials here who would have this information.

Mr. Beatty: I would remind the minister that it was the Prime Minister who was asked the question respecting UK-USA and who gave an answer. Was it the Prime Minister or the Minister of Science and Technology who gave the correct answer? I hardly need point out to the Acting Prime Minister that ultimately as far as national defence is concerned the buck stops at the desk of the Prime Minister.

Mr. Sharp: I must agree that the Prime Minister does bear general responsibility as the head of the government. Nevertheless we are now dealing with the estimates of the Privy Council office, and the hon. member's question does not relate to his responsibilities as being in charge of that office. If the hon. member is addressing a question to me as Acting Prime Minister, as one who for the time being is head of the government, that is a different matter. I have to take the question as notice. I am advised by my colleague who sits beside me that both answers given are correct—that they are not mutually inconsistent. There is perhaps some confusion in the mind of the hon. member. But the question here is one which might well be put on the Order Paper and answered fully and accurately, and not on the spur of the moment during an occasion such as this.

Mr. Beatty: May I ask the Acting Prime Minister whether he or the Prime Minister would be prepared to make available a list of figures showing in percentage terms the growth or decline, on an annual basis, of Canada's security budget since the Prime Minister took office? I am not asking that the figures be disclosed.

Mr. Sharp: I will take that request as notice. I think I would need a somewhat better definition of security. After all there are officials concerned with security in each of the departments—they look after the security of their documents, of their personnel and so on. If the hon. member can give me a clear definition of the information he is seeking to obtain I would be happy to try to get it for him.

May I take this opportunity to answer a question which was asked a little earlier as to the costs of certain activities in the Privy Council office. The cost for this year in respect of officers in the security and intelligence secretariat is $135,000, and for the emergency planning secretariat the cost is $91,000.

● (2050)

Mr. Abbott: Mr. Chairman, I am grateful for the opportunity tonight of taking a few moments of the committee's time during this debate. Like many others I was greatly impressed by the Prime Minister's contribution this afternoon. Day after day we sit in this House and listen to the inane submissions of hon. members such as those of the hon. member for Leeds, with his persistent questioning of the facilities of the Prime Minister's residence.

The Prime Minister came to the House today and openly, at a justifiable length of time, gave a resumé of the facilities placed at his disposal by the taxpayers, along with some of the improvements he has been making, many of them as a result of the generosity of Canadians who are anxious to honour him and future Prime Ministers with the gift of a swimming pool.

An hon. Member: They want to join him in the pool.

Some hon. Members: Oh, oh!

Mr. Abbott: We hear some loud interjections, Mr. Chairman, but on balance I think everyone on this side agrees that seldom has Her Majesty's Loyal Opposition put up a more lame response than we heard this afternoon after the Prime Minister sat down.

Some hon. Members: Hear, hear!

Mr. Abbott: The Prime Minister was accused earlier of not daring to come to the House and submit himself to questioning, and that he did not dare answer any of the questions. After he had made a fulsome speech, one that almost everyone was interested in hearing, he listened to the leaders of the opposition parties, as per his undertaking, and then left the House only to have the hon. member for Rocky Mountain say he had fled the Chamber. Anyone who knows the Prime Minister will know that it would take a better man than the hon. member for Rocky Mountain to make him flee.

Some hon. Members: Hear, hear!

Mr. Abbott: It is important to recognize that the Prime Minister gave a resumé of the areas that were necessary in order that he could deal with several comments by the hon. member for Leeds. Unfortunately he felt compelled to give that resumé, partly because of that hon. member's persistent interventions, but mainly and quite rightly in order to deal with that famous speech of not so long ago by the right hon. member for Prince Albert in which he took

grave exception to some of the expenditures made on behalf of the Prime Minister's residence.

The Prime Minister was able during his speech to give both an appropriate explanation for some of the points raised, and an accurate response. He reminded the right hon. gentleman, though he was not here, of some of the alleged extravagances that could more appropriately be laid at that right hon. gentleman's door. He referred specifically to the acquisition of a number of acres of land for his personal recreation, the stocking of lakes, and the building of a bunker in the backyard of 24 Sussex Street, all of which were creations of that right hon. gentleman from Prince Albert.

I realize, of course, that hon. members opposite were more concerned with those aspects of the speech of the right hon. member for Prince Albert that dealt somewhat savagely with their own leader. In any event the Prime Minister came to the House with a response in areas that were of minor relevance as compared to the heavy burden he carries. We would all agree that the Prime Minister gave a very adequate, dignified, and appropriate response. I was gratified when the hon. member for Winnipeg North stated he felt like most Canadians, that this convenience of amenities for our Prime Minister and the Leader of the Official Opposition were entirely appropriate and in keeping with the dignity and size of this country. I join in that sentiment.

Mr. Stanfield: Mr. Chairman, I rise on a question of privilege. I do not want to be put in the same category as the Prime Minister in terms of facilities.

Some hon. Members: Hear, hear!

Mr. Abbott: Mr. Chairman, I think the Prime Minister submitted more adequate and factual evidence to show that the extravagances of the Leader of the Opposition's office were somewhat greater in proportion than those of the Prime Minister's office or the office of the Privy Council.

Mr. Andre: Wrong.

Mr. Abbott: "Wrong", says the hon. member for Calgary Centre, who was not in the House.

Mr. Andre: Yes I was, and your figures are wrong.

Some hon. Members: Hear, hear!

An hon. Member: At least we presented good figures.

Mr. Abbott: Mr. Chairman, I hear the interjections of, I suspect, the hon. member for Rocky Mountain. When I think of that hon. member I am reminded of the time I lived in Calgary and the chinook breezes of hot air that blow in from the coast through the Rocky Mountains to warm Calgarians, and I often feel we have a transplant of that in this House here.

Mr. Baldwin: How many years did you spend in Calgary?

Mr. Abbott: There are some facts about the Prime Minister's workload that should be pointed out to those who are so ready to criticize him for having a large, active, and hardworking staff. One must realize that the Prime Minister receives some 115,000 letters a year, or approximately 100 a day.

Mr. Alexander: He should, and we know why.

An hon. Member: And he reads them all, too.

Mr. Abbott: He reads a lot of them. One must remember that, almost unique among democratic leaders in the world, he sits in this House daily and is asked, to this date, in this session over 500 oral questions, most of them from my limited experience of very marginal value.

Mr. Baker (Grenville-Carleton): Your experience is limited, you were right the first time.

Mr. Abbott: If I have had one experience in this House—

An hon. Member: We have heard this speech before.

Mr. Abbott: You may have heard it before and you are going to hear it again. The series of repetitious and inane speeches that come from members on the opposite side come in large part from the hon. member for Rocky Mountain. Notwithstanding the fact that the expenses of the Prime Minister are proportionately less than those of the Leader of the Opposition, he carries a heavy burden acting as head of the government party, head of the executive, and leader of the parliamentary party. I do not think any member of this House would begrudge the Prime Minister an adequate staff to carry out this heavy workload.

An hon. Member: He is not carrying it out, and that's the point.

Mr. Abbott: Those of us who have served even for a limited time in this House realize the heavy burden carried by the Prime Minister of this country. I would say in fairness that the Leader of the Opposition also carries a heavy burden, but the largest part of his burden comes from carrying those hon. members who sit behind him. The fact is that his party has been graced by a substantial sum of money for research purposes. Like most of my colleagues I was stupefied by this sum of money for research, particularly when I related it to the kind of ill-informed questions directed from across the aisle. I hope and expect in the future that the Leader of the Opposition will recognize the largeness of this sum and see that some of the product of this research is conveyed to hon. members opposite in order that their questions might have some relevance or some content in the future.

I should like to say one or two words about the problems which relate to the consideration of these estimates, and I am thinking of the rules of parliament and parliament's effectiveness. I think many Canadians feel there is a need for improvement in the performance of this House. I think many of the rules which some hon. members have been travelling abroad to learn about should be introduced at an early stage.

It is true to say that many departments of government today are loathe to submit needed legislative reforms

because of the delays that would result at the hands of members of parliament and parliament itself. I do not think that this is necessarily the result of a lack of will, either on the part of parliament or individual members, to improve the performance of the House. However, I believe there is an essential need to prove to Canadians that parliament is a relevant and dynamic body which, if it does not pass laws like a sausage machine, which it is not supposed to do, at least gives valued consideration of the judgments made by the government, and in due course passes into law or rejects all relevant items.

I think a pretty good example of the problem faced can be demonstrated by the work being performed now in the Committee on National Resources and Public Works. Those of us who are on that committee have been subjected to a wearisome filibuster that is in main caused by a haranguing opposition of the committee. It is a deliberate attempt to prevent parliament from dealing with the issue. After having spent some eight sessions on clause 2 of Bill C-32, it was a matter of great surprise and chagrin to hear one of the members of the committee, I believe the hon. member for York-Simcoe, whine to the committee that we were unable to deal with the estimates of the Department of Energy, Mines and Resources because of the constant preoccupation with the Petro-Can bill.

We have not yet passed clause 2 of this bill. Every conceivable attempt at an intervention has been made. Every shade of doubt possessed by hon. members opposite on this committee has been expressed. Despite the recognition of that fact they have persisted in taking up the time of this committee by a filibuster which is doing nothing for the people of Canada, and particularly the people of western Canada who are waiting for this legislation and the establishment of a national petroleum company. The fact is that it is this kind of display of shabby cynicism on the part of opposition members on these committees which creates a doubt in the minds of the Canadian people about the validity and viability of the parliamentary institution.

Rather than spend time chastising the Prime Minister for taking an hour to explain his estimates, and rather than whine about the fact that committees are not able to study the estimates, I suggest that hon. members opposite look into their own hearts and see whether many of the defects they see in the parliamentary process today are caused by their own obstinancy and their own unwillingness to recognize that we have a job to do, and that it will not be answered by the kind of performance we have had today, yesterday, and the day before on the Committee on National Resources and Public Works.

So, Mr. Chairman, I will simply say again that I urge the Leader of the Opposition to release some of the data which his highly priced research staff is grinding out, and to spread it among his colleagues so that we may receive a more enlightened performance from them in days to come.

Mr. Baldwin: Mr. Chairman, I first want to take the committee into my confidence and advise it that I have tabled with the Chair, and have given to my hon. friend the government House leader, and my friend the hon. member for Winnipeg North Centre, notice of an amendment which would have the effect of precipitating a vote at the expiration of the allotted time.

We are asking that the Privy Council estimates, Vote 1 in the amount of $18,484,200, be reduced to $17,600,000. That represents in round figures the equivalent of an increase of 12 per cent over the same estimates for 1974-75. I hope the significance of that will not have escaped members on the government side because it gives them a chance to put into practice the voluntary restraint of 12 per cent that the Minister of Finance has been talking about.

Without in any way derogating from the capacity and ability of many members of the Privy Council staff, if the confusion, the mess and the problems we see coming out of the Prime Minister's office and the Privy Council office today are an indication of the result of the huge expenditures made, we think it would be a great thing for this country if the estimates were reduced by this amount.

It is not without significance that the people the government has put up so far to debate this matter, with one exception, the hon. member for Mississauga, are hon. members who have been spawned out of the civil service at one time or another. I refer to the government House leader, the hon. member for Argenteuil-Deux-Montagnes, the hon. member for St. Paul's, and one other. Oh yes! How could I have forgotten the Prime Minister? The Prime Minister admitted he had played around the periphery of the public service. He was there just long enough to have gained some of their ingrown defects but not their virtues. The defence put up has been a professional defence by government professionals. I detect a trace, on the part of the government House leader, of a desire to escape from the coils of the civil service which encased him for so long and, if God gives him enough years and if he lectures enough times in this House, he might yet become a reasonably adequate parliamentarian.

Before I get on to asking some questions, Mr. Chairman, I wish to say that much was made by the Prime Minister, during the time he graciously vouchsafed to give us, about the amount of research staff provided to the opposition parties, and I include other opposition parties. However, the Prime Minister conveniently forgot to say that the Liberal caucus receives a grant of $260,000, and that the departmental expenditures, including the Prime Minister's staff, for salaries and wages total $3.6 billion. That is what those people over there get.

I say through you Mr. Chairman, to the members of the committee, that that is what they get for doing the kind of work they should be doing in connection with their duties in this House of Commons and elsewhere. Yet the Prime Minister comes in here and whines and whimpers about the amount of money being allowed the opposition parties for research staff. I must say that at first I was a little concerned about the way in which the Prime Minister conducted himself today, after having what I thought was an understanding that he would make a reasonably short statement such as to permit adequate questioning in this House on his estimates. The Prime Minister deliberately took a long time, and showed his contempt for members of this House and parliament. He spoke for an hour and 25 minutes. He did this deliberately so that we would not have an opportunity to question him.

Mr. Stanfield: It was almost fraudulent.

Mr. Baldwin: Mr. Chairman, I think this shows the kind of man the Prime Minister is. Clothed in the imperial purple he has condescended to come down and talk to hon. members, not to answer questions. No one is allowed to question him; he is above that. I know hon. members will say he comes to the House for 40 or 50 minutes and answers questions, but no 10 per cent of the questions asked are answered honestly and in a straightforward way. That is how he conducts himself in response to these questions.

● (2110)

The second point I want to make is that significantly the Prime Minister started off his speech this afternoon by saying he would not get into the petty details of the candelabra, the ashtrays, and all these things. Yet he spent most of the time on the defensive with regard to these matters. It is the Prime Minister who opened up the attack on the swimming pool today, and it is the Prime Minister who spoke about the speech made by the right hon. member for Prince Albert. This shows he is very sensitive and very much on the defensive with regard to these issues. I suggest to members of the committee that when they come to read the speech of the right hon. gentleman tomorrow, they will find that it shows a guilty conscience, and that is the reason he made that speech.

Some hon. Members: Hear, hear!

Mr. Baldwin: My leader asked the President of the Privy Council a question with regard to examining witnesses. I would like to repeat that question and have it answered straightforwardly and squarely. Is it the view of the government, is it the view of the Acting Prime Minister, does he support the Prime Minister and the Minister of Energy, Mines and Resources in their position that civil servants are not competent and cannot be compelled to be witnesses, that unless they receive permission from their ministers they cannot appear before a committee, and that if they do appear before a committee with the consent of the responsible minister they can only answer such questions as the minister or the Prime Minister allows them? That is an issue of the very important jurisdiction of parliament. Here is parliament, the highest court of this land. We rank above all other courts. The right to summon witnesses, the right to question those witnesses, is paramount to the exercise of our jurisdiction.

Does the government take the position that we can summon ordinary citizens, we can call people off the streets, we can call presidents of unions and presidents of corporations, but civil servants are sacred and cannot be summoned unless with the consent of the minister? That is a question that I put to the minister in the hope that he can reply to it later.

My second question regards the matter of secrecy. I hesitate to say this, but it must be said that in many ways this House has become the House of lies.

Some hon. Members: Oh, oh!

Mr. Baldwin: Yes, there are a lot of "oh's" on the other side. I am not saying they are deliberate lies but a distortion and an exaggeration of facts, a suppression of the truth so that private members, not only members of the opposition but members on the government side, have lost the capacity to challenge the government on issues of the day, to question government members and receive honest, sincere and complete answers.

[Mr. Stanfield.]

Some hon. Members: Hear, hear!

Mr. Baldwin: The Prime Minister, the President of the Privy Council and the Minister of Energy, Mines and Resources talk about responsible government. They have a distorted idea of responsible government. Responsible government to me, to my colleagues, and to most members of the House I think, means a government that is answerable to parliament, to the people. It does not mean that if a government is elected and happens to have a majority, as this government does, it is answerable to nobody. I suggest that if that is the kind of rule, then we might as well wrap this House up and forget about it between elections because it is meaningless, useless.

Some hon. Members: Hear, hear!

Mr. Baldwin: I am the first to recognize that we cannot expect the government to answer questions about everything. I have admitted that in the House, and in the committee which is seized of the private member's public bill which I have put forward and which also deals with the question of guidelines. There are areas of confidentiality dealing with security, with criminal investigations, and with matters on which information is given to the government, such as under the Income Tax Act, which should not be made publicly available. I am the first to accept that. But what do we have today?

We have a set of guidelines which are all embracing. I challenge the government to point out any loophole whereby it would be possible for a question to be asked and for the government not to find security in hiding behind those guidelines. They are wide and comprehensive enough so that the government can say it does not need to answer the questions because of this or that particular guideline. Not only that, but who sets the standard, the yardstick?

What is the criterion as to whether or not a question comes within those guidelines? It is for the government to say, and it has used this over and over again. It says, "In our opinion this question contravenes the guidelines which we set, and therefore we will not answer it". That is not good enough. As I say, I have a private member's public bill which is before the Regulations and Other Statutory Instruments Committee where we are dealing with these guidelines.

I should like to put the following questions to the President of the Privy Council. Have the Prime Minister and the government laid down instructions that under no circumstances will members of the Privy Council office or the Prime Minister's office be allowed to have access to members of the press and have interviews or answer questions?

Second, given the statements some years ago by the Prime Minister and the present Minister of Finance, then minister of justice, as to freedom of information, will the government say that it is not categorically opposed to and will give favourable consideration to the introduction of a

bill which will define with some degree of accuracy what information can be given and what information is to be forbidden? That is the only way in which there can be a satisfactory conclusion to this issue.

Third, does the government intend to be the sole arbiter of what the public, parliament and the press can be trusted with in the line of facts, or will it leave that to legislation which this House will pass?

Will the government House leader answer the first question I raised, whether it is the categorical assertion of the government that civil servants can be forbidden the right to appear before a parliamentary committee at the whim and discretion of a cabinet minister or of the Prime Minister?

The Deputy Chairman: Just before recognizing the President of the Privy Council I wish to draw to the attention of members of the committee that the rules that we have adopted for this committee call for a summing up by the minister and by a spokesman for the opposition. I wish to seek the guidance of the committee as to whether this part of the rules which was adopted earlier is to be waived, or whether the committee wishes to abide by it?

Mr. Sharp: Mr. Chairman, on the particular question you have asked let me say that in view of the fact that the Prime Minister made a statement at the opening, which was not provided when we had the Minister of Transport before us, I would certainly not ask for the right to sum up at the end, but I would like to answer the questions that have been put to me.

Mr. Baldwin: May I say I agree with the President of the Privy Council, but for another reason. The day we were dealing with the transport estimates we made an interim House order regarding the length of speeches which were to be in units of 15 minutes. Another issue was the right to sum up. When today my friend, the hon. member for Rocky Mountain, dealt with this he left completely out of the proposal the question of summing up. That was not intended and is not part of the arrangements made, and I think the President of the Privy Council confirms that.

● (2120)

The Deputy Chairman: For earlier proceedings these were the rules adopted. Is it agreed that this part of the rules be waived?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Chairman, I will attempt to deal briefly with some of the questions put by the hon. House leader of the official opposition. First I would like to say a word about the speech given by the Prime Minister at the outset today. Listening to him I felt that this was finally an opportunity for the Prime Minister to deal with the issues which had been raised on so many occasions across the floor of the House by the hon. member for Leeds and the hon. member for Rocky Mountain, and to which the Prime Minister never had a previous opportunity to reply.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Sharp: I thought he used the time to excellent advantage, and if there were complaints about it I suggest to hon. members opposite that if they are interested in the office of the Prime Minister, and not in the trivia of the chandeliers and ashtrays, they should not ask so many bloody questions about them.

Some hon. Members: Oh, oh!

Mr. Baldwin: Who raised it first?

Mr. Stanfield: Your credibility is zero.

An hon. Member: That speech was a direct contradiction to the understanding, and you know it.

Mr. Sharp: When there are trivia in questions I think it does the opposition good to see how much time they wasted and how much time the Prime Minister had to waste today in answering these silly questions.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): If that is your attitude, you've had it.

Mr. Stanfield: You are through.

Mr. Baker (Grenville-Carleton): We've played games with you long enough.

Mr. Clark: Does your word mean anything?

Some hon. Members: Oh, oh!

Mr. Sharp: The question of officials is a major one which certainly is worth a little consideration. There are different ways of looking at this question. We on the government side feel that the ministers have responsibility both for policy generally and for the administration of affairs. Therefore in asking officials to come before committees for cross-examination, the question arises as to who is responsible. Is it the official, or is it the minister? We have taken the view, and it has certainly been pressed upon us, that when officials do things or do not do things, it is the minister who takes responsibility, not the officials. It is possible to separate these matters, but if officials can be brought before the House and cross-examined, of course one must relieve the minister of the responsibility for their actions.

Mr. Baker (Grenville-Carleton): Tommyrot.

Mr. Sharp: Members of the opposition must make up their minds which way they want the argument to run. Do they want ministers to be responsible for administration and policy, or do they want to relieve us of part of the administrative responsibility? This is the argument going on in the United Kingdom today.

Mr. Baldwin: Charles I lost his head over that.

Mr. Muir: You are going to lose yours, Mitch.

An hon. Member: To the Senate, Mitch.

Mr. Sharp: There is a separate question which has been raised by the House leader of the official opposition, and

that relates to the summoning of officials. I have never in my experience seen a committee which did summon an official to appear before it, and that does raise a question whether, if a minister objected and the committee then required his attendance, that would raise issues with which I am not quite sure how to deal.

Mr. Baldwin: On a point of order, Madam Chairman, I was chairman of a committee back in 1962 which summoned the then secretary of the Privy Council to appear before it.

Mr. Sharp: If the minister did not object to the official appearing, that is perfectly all right.

Some hon. Members: Oh, oh!

Mr. Sharp: The only question which arises is whether a committee may summon an official contrary to the wishes of his minister who is taking responsibility for his actions, and in these circumstances, since I have never seen a situation like this, I treat it as a hypothetical question. I remember on one occasion one of my predecessors in office, Jack Pickersgill, saying when that question was put to him, "I think the minister would have to resign." Perhaps that is the answer, but at any rate it does illustrate the point—

Mr. Baldwin: It's worth considering.

Mr. Sharp:—that it is the responsibility of the ministry for administration as well as for policy.

In regard to the first of the questions put by the hon. member for Peace River, perhaps I could read from a memorandum to the Privy Council staff on press interviews. This was the procedure to be followed:

> "Press Interviews" here mean the type of interview at which the employee is identified personally, in the same sense that an article signed by him or a public statement would identify him. No member of the PMO-PCO will give such interviews on matters relating to their work, unless with the specific authority of the Clerk of the Privy Council and Secretary to the Cabinet and/or the Principal Secretary to the Prime Minister.

Those are the instructions, and I think they are wise because I think civil servants should be anonymous and should act within the authority of the government, and since the ministers take responsibility they must be able to guide them in their relations with the press.

As to the questions about secrecy and information, the hon. member for Peace River and I have had some exchanges on this subject. In general I think we are both trying to move in the same direction. He has given me credit for believing that it is important to this parliament in order to discharge its responsibility to have as much information as possible. That is the principle this government is following.

Some hon. Members: Oh, oh!

Mr. Sharp: The hon. member for Peace River has put his finger on the difficult question of how to determine when the government is giving all the information which can safely be given. I have examined that question, and my hon. friend has, too. I am not quite sure that we came to the same conclusion. My difficulty arises in trying to place upon somebody else, a judge or some "irresponsible" person—and I put that word in quotes—who does not have to be responsible for the consequences of the action—how do you place a responsibility on an irresponsible person for the consequences of the revelation of information which the government considers should be treated confidentially?

That question is very difficult to answer.

Mr. Baldwin: You give judges the right to try people for their lives and to try cases involving millions of dollars.

Mr. Sharp: I suggest that is a different question. The question for a government is what kind of information can be safely revealed without hurting innocent people or damaging national security? We have to take responsibility for the consequences. I do not see how we can pass that responsibility on to an irresponsible person.

An hon. Member: Are members of parliament irresponsible?

Mr. Sharp: I hope we are working in the same direction in trying to give as much information as possible to parliament.

Mr. Horner: Madam Chairman, this has been an interesting debate. I regret that I had to leave the House at 3.30 to go into a committee, but it is an interesting debate because one gets a concept of how members view their work, and how they view the Prime Minister and whether he is God or whether he is answerable to this House.

At three o'clock this afternoon the Prime Minister came to the House to make his speech. He appeared to be a petulant, spoiled boy after having done some dirty tricks, coming to his mother, speaking in quiet tones with his hands quietly clasped in front of him, as he pleaded with his mother that he had really done no wrong, he had not really meant to hurt anyone, to do any dirty tricks, to throw sand at some little girl, or do something like that. That is the way it appeared to me, just a petulant, spoiled little boy appearing before his mother hoping he would not be scolded too harshly.

● (2130)

He did not feel that he should be answerable in any way for this place. In fact in the time that I stayed to listen to him he deliberately tried to distort some of the figures furnished by the research offices of this party and his own party as to the amount allowed for expenditure on parliament.

It is interesting to listen to government back benchers discuss their concept of parliament. When the Prime Minister set up the regional desks there was a great rumbling from the back benchers of the Liberal Party. They complained that the regional desks were usurping their role in parliament and if they wanted to find out something they had to consult the regional desks because they could not find anything out from the departments. They have got over that, and now accept their role as trained seals.

There was not a member of the NDP in the House all evening until just now when the member for Winnipeg South Centre came in. It is nice to see that the defenders

of democracy and the sanctity of this place grace it with one member—

Mr. Knowles (Winnipeg North Centre): On a point of order, Madam Chairman, I was not sure which one should rise first, the hon. member for Winnipeg South Centre or myself. I am the member for Winnipeg North Centre who happens to have been in the Standing Committee on Health, Welfare and Social Affairs arguing about pensions.

Mr. Horner: Madam Chairman, the hon. member for Winnipeg North Centre was in the House. That party has led people to believe that it is the protector of democracy and protects the sanctity of this House, but it has only put up one speaker in this debate and its attendance has been poor.

In his speech this afternoon the Prime Minister went to great lengths to point out that in the past 12 years no other prime minister has had to do what he had to do today and that he thought a prime minister should not be called to task for his expenditures. It is well known throughout the country, Madam Chairman, that this Prime Minister is the greatest traveller we have ever had—

Mr. Coates: Since Marco Polo!

Mr. Horner: But he had the gall to complain that his expenditures were going to be examined. He complained about the speech of the right hon. member for Prince Albert about his expenditures. Some 15 years ago when the right hon. member for Prince Albert was prime minister he took a trip around the world. He took his brother and his wife on the trip, but he paid his brother's expenses. That was thoroughly examined by the House of Commons at the time, however, as it was felt to be the sin of all sins for the prime minister to travel around the world and the sin of all sins to take his brother along.

The present Prime Minister would go to the moon if he thought there was somebody there he could talk to, or if he could do a little skiing. There are plastic skis now and you can ski on sand, so perhaps he could ski on the moon and do as well as in some of his world travels. According to some of the writers who were on the two week junket to Europe, the Prime Minister spent 20 hours talking to people and the rest of the time skiing. It is well known that the Prime Minister has enjoyed the role of world traveller—

Mr. Blais: On a point of order, Madam Chairman, having been with the Prime Minister on that trip I would tell the hon. member for Crowfoot that if he wants to accompany the Prime Minister on the next trip I will attempt to arrange it so that he will see there are more than 20 hours—

Mr. Horner: I would be glad to accompany the Prime Minister but I am not very good at scuba diving although I am in pretty good physical shape, and it is a long time since I did any skiing.

An hon. Member: You could ride an elephant.

Mr. Horner: If the Prime Minister wants to try other occupations which can be just as much fun, that is fine. I have taken up golf since coming to Ottawa and I would gladly go on a trip with him with that in mind. If he wanted to go into the game of calf roping that ranchers play I would gladly go on a trip and show him how it is done, but I suggest that he should be a little careful there. He might not be in good enough shape to do that.

I want to speak now about parliament, Madam Chairman. The hon. member for Mississauga gave his ideas of what parliament should be doing when he spoke earlier. He said that parliament should not grind out legislation, but he felt we should pass it a lot quicker than we are doing at present. It is well known that parliament has been working on legislation. The hon. member spoke about Petro-Can. Bill C-32 was submitted to the House. The next thing was that the minister announced he had 24 amendments, and before we finished with the bill he added I do not know how many more. The hon. member took some part in the debate on Bill C-2 and I do not know how many batches of amendments the minister glued into that bill. It would be a sin if parliament were to pass legislation without examining it, especially if the government has not even drafted it carefully.

This afternoon in the Standing Committee on Agriculture we passed a bill—after the department and the minister had introduced three or four amendments to it. That was the minister saying, "This is what I meant to say; we should put this amendment in". The opposition felt the amendments were improvements to the bill. We quite often assist in bringing forward amendments; this is our role and our duty, and is not foreign to parliament.

There has been a great deal of talk about the waste of time in this House. Parliament is not here to grind out legislation, Madam Chairman; the function of parliament is to exchange ideas and develop thought. How much time has this House wasted on the economy of the country? Very, very little. Most of the legislation on the Order Paper does not deal with the economy. The Minister of Finance has appeared on nearly every platform across Canada telling the people that we are in dire straits; he is worried about the balance of payments problem, about inflation, and is trying to reach some kind of consensus. Why has parliament not dealt with this matter in past months?

The government has not been concerned with the economic well-being of the country although it has been concerned with nearly everything else. The Prime Minister views Canada as some kind of a stopping off place where he can check in once in a while before flying off to some other spot in the world. That is the way he views Canada. He is not worried about the economy of Canada and never has been; he is worried about some of the social concepts in Canada.

The Montreal *Gazette* ran a full page article a couple of days ago on an interview with the Prime Minister. He was reported as saying "Let's get away from the mechanics of running the country". He does not even want to worry about the mechanics of running the country, Madam Chairman. He has the printing presses printing money.

The amendment moved by the hon. member for Peace River is exactly on point. Let us lower the expenditures of the Prime Minister's office to an increase of only 12 per

cent over last year. That would be an example to all governments in Canada.

● (2140)

Total government expenditures in Canada increased by 48 per cent this year, as compared with last year. It is small wonder there is inflation, given that kind of government expenditure. To me, neither the government nor parliament have been concerned enough about the economy. If it were the business of the opposition to initiate legislation, we should have talked much more in this House about the economy of the country. But our role is not that of initiating legislation. That is the government's role. We try to change legislation, improve it, or interpret it in such a way that the legislation will meet conditions existing in the country.

The government is busy setting up all sorts of little authorities or bodies which are to be active inside or outside parliament. For example Bill C-2 is to set up another commission, Bill C-32 another board, and Bill C-50 another council. In addition the government now has appointed four Whips. Recently the fourth Whip was appointed in the government party. I noted an announcement in a western Canadian newspaper saying that the hon. member for Assiniboia is now the fourth Whip. To me that would be a degrading position. I would not bother writing home and telling my constituents I rank as number four.

This afternoon in committee, the hon. member for Mississauga moved a motion which he was good enough to refer to the steering committee. He proposed that a member should be allowed to speak once, for ten minutes only in committee.

An hon. Member: A good idea.

Some hon. Members: Hear, hear!

Mr. Horner: If that is the concept of responsible government—

Mr. Turner (Ottawa-Carleton): You have one more minute to kill, Jack.

Mr. Horner: And I don't need any help from you. If that is the concept of responsible government, it is pretty shady. Surely that is not the concept we have adhered to in the past 100 years. Why, it would not be worth a member's while to walk into a committee if he could speak only ten minutes. He could not even earn his pay in ten minutes. How can you examine legislation in such a short time?

The Prime Minister spoke about the research bureau of the Conservative Party and suggested he is worried about the quality of questions. I wonder what the government party does with its $260,000 in research funds? In committee all I hear government members say is, "Pass it, agreed, shall clause 1 carry, shall clause 2 carry, pass it."

The Chairman: Order, please. It being 9.45 p.m. it is my duty, pursuant to section 9(a) of Standing Order 58, to interrupt these proceedings and to put forthwith every question necessary to dispose of the proceedings.

[Mr. Horner.]

The hon. member for Peace River gave notice of his intention to propose an amendment to Vote 1 of the Privy Council estimates. His time expired before he could formally propose his amendment to the committee. Therefore, in accordance with Standing Order 58, subsection 9(b), it is my duty at this time forthwith to put the amendment to the committee. Accordingly, the hon. member for Peace River moves:

That Vote 1 of the Privy Council estimates be reduced from $18,484,200 to $17,600,000.

The question is on the amendment.

Amendment (Mr. Baldwin) negatived: Yeas, 71; nays, 91.

The Chairman: I declare the amendment lost.

Shall Privy Council—Vote 1 carry?

Mr. Baldwin: On division.

Privy Council—Vote 1 agreed to.

The Chairman: Shall I report the resolution?

Some hon. Members: Agreed.

Resolution reported and concurred in, on division.

OLD AGE SECURITY ACT—SUGGESTION AMENDING BILL INCLUDE PROVISION FOR SINGLE PERSONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, thanks to the hon. member for Peace River (Mr. Baldwin), we now have a short grievance period before us. When I staked out a claim the last time to raise a grievance the next time around, so to speak, I did not realize that the basis for raising a grievance would occur this very day. I say to the government House leader that I will not use all of the time available, in the hope that I may be given a favourable reply. This afternoon, when we were—

● (2150)

Mr. Deputy Speaker: Order, please. Maybe we should proceed in the same way as the last time, which was by consent, to make sure the requirements are met. There has been no real change in our procedure. Although this grievance procedure was accepted the last time, it was by unanimous consent. I think we should pursue this approach until a decision is made by the House to modify the Standing Orders. Is it agreed that we proceed with the grievance procedure as we did the last time?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, to those who are trying to say no, may I remind them that if they tried to call it ten o'clock, some of us might say no. Some business has to be done during these ten minutes, so it might as well be my grievance.

This afternoon when we were dealing with the future business of the House I asked the government House leader how soon we could look for the bill to amend the Old Age Security Act, which has been promised for some time. The government House leader replied, I think using

the word "immediately". I took it the bill would be tabled today or tomorrow.

The government House leader has since sent word to me that the bill has not been finally drafted and, therefore, it will be a few days before it is presented. I am not complaining about that. In fact I welcome the fact that there are those few days. I hope that in those few days the government will consider a point some of us have made a number of times.

I understand that the proposed bill is to include what was promised in the Speech from the Throne, namely, a pension under the Old Age Security Act for a person between the ages of 60 and 65, if that person is the spouse of a person who is already 65 or over and hence receiving the pension, the whole arrangement to be subject to an income test. However, it is quite clear from what has been indicated to us thus far that the only persons between 60 and 65 who will be able to get a pension under this proposed amendment are those who are spouses.

I plead once again the case of single persons, spinsters or bachelors. Likewise, I plead the case of widows and widowers. To offer to pay a pension to persons between 60 and 65 who happen to have a spouse, but not to pay that pension to a person in that same age bracket who does not have a spouse is a case of unfair discrimination. It will lead to endless trouble and difficulty. There will be women or men of a certain age getting a pension. Others of the same age who are out of the labour market and who are in need will not get it.

My grievance is that thus far the government does not appear to have paid attention to our pleas in this connection. I urgently plead with the government. I am glad to see the Minister of National Health and Welfare (Mr. Lalonde) here at this time. He is back from the same committee I was attending earlier. I plead that, between now and the filing of that bill, it be made a pension at age 60 for all those out of the labour market, not just for those few who happen to be spouses of pensioners.

I hope, too, that the question of an income test will be reconsidered. In other words, in the two or three days that are yet to elapse before the bill is introduced, I hope it will be improved along the lines that some of us have been arguing for a long time.

[*Translation*]

Mr. Lalonde: The hon. member once more returns to a theme he has already dealt with a number of times previously. This government went to the electorate a year ago and made commitments to the electorate. One of these commitments is specific: we will help spouses in cases where both pensioners would be forced to live on one pension. We said we would solve the problem; we were committed in the Speech from the throne to introduce a bill effective October 1st 1975. That bill will be introduced during the coming days and I hope, with the cooperation of this House, that it will be in force on October 1st 1975.

I repeat that we have a commitment to the electorate. This government was reelected, it honors its commitment to the electorate, and the bill to be introduced will meet that commitment.

As regards "the few" referred to by the hon. member, may I remind him that they number approximately 83,000 in Canada. May I state once more that with this legislation, we wish to help couples where one of the spouses is over 65 and both have to live on one pension. The aim is not to solve the problems of widows or single people. That is another problem altogether. I said previously it should be solved through an overall guaranteed income program, and not through pension plan extensions. Because the problem of widows aged 60 to 65, although serious, is no more so generally than that of widows aged 55 to 60. The latter also need help.

As regards allegations of discrimination referred to by the hon. member, this argument is only intended to confuse matters and repeat the hon. member's old stories on this issue. Many people over 65 who do not receive, for various reasons, and particularly for reasons of residency, neither the old age security pension nor the guaranteed income supplement. There are now people over 65 who do not receive the old age pension. Therefore, when this bill is passed, there will be people between 60 and 65 who will not receive the special benefits provided for spouses. This bill aims at solving a specific, serious and grave problem which, as I said earlier, affects over 80,000 Canadian citizens; but we do not pretend to be able to solve all the problems at once. Other problems mentioned by the hon. member will be solved generally through a guaranteed income program.

Therefore, Mr. Chairman, the bill which will be introduced in the House will be in accordance with the commitment of this government, and this government will continue to meet its commitments to the voters.

PROCEEDINGS ON ADJOURNMENT MOTION

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

● (2200)

[*English*]

SUPPLY AND SERVICES—POLICY OF DEPARTMENT IN AWARDING CONTRACTS—REASON FOR AWARDING CONTRACT FOR SURVEYING ON WEST COAST TO TORONTO COMPANY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on Tuesday of this week, as recorded at page 5908 of *Hansard* I addressed a question to the Minister of Supply and Services (Mr. Goyer) with respect to a contract for survey work on the west coast of British Columbia.

After the question had been asked—and the minister obviously had no knowledge of the particular contract I had in mind—I notified the minister of the contract number. Tonight, for the purposes of the House I can say the contract concerns a second order triangulation trilateration survey over the Queen Charlotte Islands, west coast of B.C., south to the northern end of Vancouver Island. As far as I know this is the first contract for a survey of this type which has been awarded by the federal government in 30 years.

Adjournment Debate

Three British Columbia firms operating out of Vancouver bid for the contract. They were McElhanney and Associates, David H. Burnett and Associates, and Underhill and Underhill. All bid on this contract. For some reason which astounded people in British Columbia the contract was given to the Toronto firm of Marshall Macklin Monaghan.

One of the prerequisites of doing this type of work successfully is an intimate knowledge of the coastal area in which the survey is to be made. All the British Columbia firms I have mentioned have been working actively in British Columbia and in this area for nearly a quarter of a century. Underhill and Underhill were established in British Columbia in 1913. It is almost impossible to believe that a firm operating out of Toronto would have the appropriate knowledge and intimate understanding of the weather, the tides, and the topography of the area concerned to be able to take on this sizeable job and do it better than firms well established in the province and operating in the area.

On Tuesday I asked the minister:

Is it the policy of the department to award contracts whenever possible to firms operating on a regular basis in the regions where the work is required?

His reply was as follows:

Certainly, Mr. Speaker, whenever it is possible.

The decision in this case seems to have flown in the teeth of the department's own policy. Then again, there are disturbing factors surrounding the contract and the bidding. As I understand it, the three B.C. firms came in at approximately the same cost. I know that one of them bid $277,000. The Toronto firm, strangely enough, came in at $161,418. The Department of Energy, Mines and Resources, having agreed to accept that bid, then increased the value of the contract to $200,000 because that was the size of its budget appropriation for this contract.

There are serious questions to be asked. The first is: how many other eastern firms bid on this contract, if any? Second, why was bidding open nationally rather than regionally? Third, why did the department raise the ante to its limit of $200,000, thus in effect giving the Toronto firm the difference between its bid and the budget available to the department? Another question is: did the bid from the eastern firm include the cost of a ship or ships necessary for the job? There is no reason to believe that the Vancouver firms were turned down because they do not support the government party.

In a letter from a representative of Underhill and Underhill to a minister of the Crown—this is from someone who has been a strong supporter of the Liberal party for many years—the following words appear:

We are unable to understand why the federal government has awarded this contract to an Ontario firm and not utilized one of the three firms that have had survey experience in the area in question, and a direct knowledge of the weather and coastal conditions.

Something is seriously wrong here. There is no excuse for giving this contract to a firm 3,000 miles away, one which does not understand the difficulties and which seemed to come in with a bid which is incredibly low before the government itself, to make sure they had enough funds to do the job, added nearly $40,000 to the contract price. If they came in with a bid of $161,000 they should be held to that because that is what they said they could do the job for, and to have the government give this firm another nearly $40,000 is just cause for worry. I could quote further from the letter that they have not taken into account the fact that they may not have as many good days as possible. To me this is really an extraordinary thing, and I hope the parliamentary secretary will answer that question.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, before I proceed to give my answer I wonder if I could obtain permission to have inserted in *Hansard* as though they were read, the bids by six companies, subdivided into area A, area A and B, and area A, B and C.

The Acting Speaker (Mrs. Morin): This can only be done by unanimous consent.

Mr. Fraser: Of course, Madam Speaker.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Reid: Madam Speaker, the hon. member is referring to Contract No. 05GR.23244-5-4213 which resulted from a request by the Department of Supply and Services for proposals from various possible suppliers. The request for proposals clearly stated that the proposals would be evaluated on three factors; that is the proposal itself, the firm's relevant experience, and the cost estimate. It further noted that the project authority in the Department of Energy, Mines and Resources wished to have as much of the survey work done as possible within existing financial restrictions. There were 14 firms invited, and six proposals were received.

It is at this point that I would like to have the table inserted, Madam Speaker.

[*Editor's Note: The table above referred to is as follows:*]

	Area A	Area A & B	Area A, B & C
Marshall, Macklin Monaghan Ltd. Don Mills, Ontario	91,641.00	130,615.00	161,418.00
Burnett Resource Surveys Ltd. Burnaby, B.C.	178,120.00	258,950.00	307,944.00
Canadian Engineering Survey Co. Ltd. Edmonton, Alta.	111,350.00	187,059.00	328,931.00
J.A. Smith & Associates Calgary, Alta.	224,765.70	320,388.90	388,630.50

	Area A	Area A & B	Area A, B & C
McElhanney Surveying & Engineering Ltd. Vancouver, B.C.	91,205.00	324,031.00	352,556.00
Underhill & Underhill Vancouver, B.C.	143,169.00	221,164.05	273,698.00

For the benefit of hon. members I will read the figures out for the six firms for area A, B and C: Marshall, Macklin Monaghan Ltd., $161,418; Burnett Resources Surveys Ltd.,—

Mr. Fraser: Where is that firm?

Mr. Reid: The first was Don Mills, Ontario, and the second is Burnett Resource Surveys Ltd., Burnaby, B.C., $307,944; Canadian Engineering Survey Co. Ltd., Edmonton, Alberta, $328,931; J. A. Smith & Associates, Calgary, Alberta, $388,630.50; McElhanney Surveying & Engineering Ltd., Vancouver, B.C., $352,556; and Underhill & Underhill, Vancouver, B.C., $273,698.

Each proposal was evaluated by a team of officers from the Departments of Energy, Mines and Resources and Supply and Services, using a weighted point rating system. The proposal selected was considered technically acceptable, and was also the lowest in cost.

While it was clearly indicated that submissions were to be based on ideal weather conditions, the Crown recognized that it would have to absorb the downtime costs associated with poor weather conditions. This contingency has been set at $38,582 to raise the value of the contract to the maximum financial limitations provided for the project by the customer department, which will have an on-site project inspector.

With regard to the purchasing policy of the Department of Supply and Services, it should be stated at this time that when the final point of use for a product is in the western or in the Atlantic provinces, purchases will be made from suppliers in those regions provided that—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. parliamentary secretary but his allotted time has expired.

Mr. Reid: Perhaps there might be consent to my finishing the sentence.

Mr. Fraser: Madam Speaker, I would ask hon. members to agree, as this is an important matter to the west coast.

Mr. Reid: May I just go back and start it again. Purchases will be made from suppliers in these regions provided that total PROC cost, that is product, resource, operating and contingent cost to the government cannot be reduced by using alternative Canadian sources.

INDIAN AFFAIRS—SUGGESTED WITHDRAWAL OF CIRCULARS CONTAINING GUIDELINES FOR LOCAL GOVERNMENT UNTIL NATIVE LEADERS CONSULTED

Mr. Wally Firth (Northwest Territories): Madam Speaker, I am sorry to note that the Minister of Indian Affairs and Northern Development (Mr. Buchanan) is not here this evening during the time I intend to pursue a question of policy of his department which is of extreme importance to all native people in Canada.

I have asked for this time to address the House and to put some further questions to the ministry, but in this case I suppose it will be to whomever it is that is representing this department. I do so because I feel that by implementing the program circulars the minister's department is taking a giant step backwards in its relationship with Indian people. Because of the time limitation I will only be able to touch on a very few of the questions that arise from the implementation of these circulars. I say this so that you, Madam Speaker, and the other members of this House will understand that, when I limit my remarks to those circulars dealing with local government, I am not sanctioning the rest.

The circulars dealing with local government are labelled D-1 to D-5. As the minister indicated in the House yesterday, they outline accounting practices which the bands must use as part of their administration of public money. The circulars add a few new terms to the language of Indian self-government, and they are "local government authority" and "district councils". These two terms are defined in such a way as to include traditional band councils, but they also allow for the creation of other units separate from the councils.

Local government authorities are to be incorporated as legal entities for the purpose of signing contracts and entering into agreements. Band councils, as they are now, do not have this legal status, and it would require a great deal of change in the law for them to acquire it. This has frightening implications for the Indian people and for their elected representatives, the chiefs and band councils, on the reserves and in the villages in the north.

● (2210)

The first step is to have the local governmental authorities incorporated. The next step is to transfer or delegate the traditional power of the chiefs and councils to the local government authority. The minister has a number of tools at his disposal which he can use to make sure the councils transfer their duties to other administrative units. By withholding all program dollars until the chiefs accept the circulars, the minister is now using one of the most effective of those tools. Some call it financial coercion; others call it extortion.

Once the chiefs and band councils are out of the way the minister will have a new level of bureaucracy which will be that much easier to deal with because there will be no need to go through the niceties of elections. He will have taken control of programs and will have brought them closer to the inner circle of his department, thus making it

easier to accomplish what appears to be the main goal of this arm of his department, administer the hell out of the Indians.

With some regret I will now leave the topic of the ultimate effects of these circulars. I say "regret" because there is much more that could be said about the issue of consulting the Indian people in respect of the implementation of these circulars. Yesterday in the House the minister told us:

> ... there has been consultation on this matter. We feel that the guidelines responded in many ways to the requests of the native people who said they wanted to know what the rules were under which they have to deal with program funding coming from this department.

I would like to know the minister's definition of the word "consultation". Did it take the form of one of his regional directors walking down the street, meeting an Indian, and saying, "Hi, how's the wife?" By the way there will be some new rules next week". I would also like to know what the minister meant when he said "we". It could not have included the elected representatives of the Indian people. They do not feel that the guidelines respond in many ways to the requests of the native people.

I should like to quote a portion of a telex dated April 16 sent to the minister. It states:

> The Prince Albert District Chiefs consider the development of circulars D-1 through D-5 as completely unacceptable.

This was signed by seven chiefs of the Prince Albert District and one other man who was acting as the chief's representative. Were these people consulted? I doubt very much that they were. From the chiefs of the Saskatoon district comes this resolution:

> Whereas the circular's intent is to enact policies of the white paper policy of 1969 and therefore a serious approach to revise the Indian Act, to abrogate treaty responsibility and to disregard the constitutional responsibility of the federal government for Indians and Indian lands.
>
> Be it resolved that the circulars will not be implemented in the Saskatoon district, and that the Department of Indian Affairs provide program dollars to the bands according to the needs of the bands.

Again I seriously doubt that the eight chiefs who signed this resolution were consulted.

I have a number of other remarks I would like to make, but at this time I would simply like to ask one question. It is an important question. Will the minister put the program circulars in the garbage where they belong, and give the Indian leaders a chance to propose an accounting system which is acceptable not only to the department but to the Indian people?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. Buchanan) has asked me to acknowledge that the reaction from provincial and national Indian leaders to our local government guidelines for Indian bands and Innuit settlements has been, to say the least, surprising.

Fears have been expressed that through these guidelines, the minister's department has devised a way to enable it to weaken the authority of Indian chiefs and councillors, amend the Indian Act without consultation, or resurrect the 1969 white paper. These allegations are totally erroneous. Band autonomy and integrity are held to be inviolate by the department. At the same time, however, the department must be satisfied that local band government is carried out on the basis of general acceptable business management principles.

In 1965 the department introduced the contributions to the bands funding program which enabled band councils to operate specific programs. Currently more than 500 of the 567 bands across Canada are administering various programs, and over $100 million will go directly to band councils this year to administer programs for their members—programs such as housing, education, social services, etc.

Because of the positive response of bands and the expanding nature of the program, a departmental task force was formed in late 1972 to chart the course for the future. Councils, associations, conferences and individuals submitted briefs and position papers. Most, if not all, of the general recommendations of the Indian people were accepted. In other words, the task force report made the objectives clear—all programs that could be managed at the local level should be. The department's obligations, on the other hand, required its involvement to ensure adequate levels of service and the guarantee of appropriate levels of funds.

The task force's recommendations also made clear that there must be general guidelines or regulations for band operations for the benefit of both chiefs and councils and departmental staff. We are therefore now at the stage of introducing guidelines and regulations.

The basic principles of the guidelines underlying local government are what is important. For example, circular D-1 guideline is mostly of a financial nature and provides for the accounting of funds. It also suggests procedures which should be set up by band councils to ensure that band members know when their band councils are taking responsibility for community programs. It makes it very clear that band chiefs and councils are responsible for planning, estimating, and negotiating for the total funds of their community. Circular D-2, for example, permits bands to form district councils for the delivery of programs. Such district councils, however, are only formed as the result of bands agreeing to combine their funds and resources. It is totally voluntary and there is not influence or pressure whatsoever for bands to form district councils.

In summary then I must reiterate that the several allegations made that the guidelines undermine or subjugate the Indian Act, that they take away the authority of the chiefs and councils, that they represent an attempt to revive the 1969 white paper, are totally erroneous. In fact the opposite is true, they provide for local government of Indian and Innuit communities by their chiefs and councillors.

TRANSPORT—TRANSFERENCE OF FISHING WHARVES TO FISHERIES MINISTRY—REASON FISHERMEN CHARGED WHARFAGE FEES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, on May 14 I raised the subject of wharfage fees charged to fishermen in my constituency, a subject which has been raised on several occasions earlier in the House and to which no satisfactory answer has been given.

The initial problem arose because of the fact that there was no minister of fisheries, all harbours were under the authority of the Department of Transport, and there was very little knowledge of the basic operation of a fishing port vested in any of the individuals in that department.

It was agreed some time ago that the ports which fishermen used would be transferred to the Department of the Environment. At that time there was some complaint that the fishermen were being charged wharfage fees at the wharves on a rather discriminatory basis. Perhaps the reason for the discrimination may be found, first, in the fashion in which the wharfingers are appointed, which is by political appointment, and second, in the fashion in which they are paid.

I should like to quote from *Hansard* of May 23, 1973, at page 4008, which gives the scale of pay received by wharfingers:

● (2220)

Wharfingers receive annual remuneration for their services on a commission or percentage basis. They are paid a portion of the wharfage tolls and dues collected for the use of the wharf at the following rates: 100 per cent of the first $100 collected; 90 per cent of the next $300 collected; 50 per cent of the next $300 collected; 25 per cent of the next $1,800 collected; 15 per cent of the next $13,500 collected and 5 per cent of any remainder.

It becomes very obvious that there is an element of incentive for a wharfinger to collect up to a point and up to a point only, but this would seem to lead to the fact that the charges laid by the fishermen are that some boats are charged wharfage at a particular wharf while others are not. It seems to be on a rather selective basis. It seems that when the ports were transferred to the Minister of State (Fisheries) (Mr. LeBlanc) this matter would be taken into proper consideration and the habit would stop, but only last week I was called by fishermen who said that their boats were now impounded, that customs and immigration were ordered by some official in Ottawa not to grant permission for these boats to make calls at American ports. It so happens that their livelihood depends upon their calls to the American ports. These fishermen have been rather obstinate about this charge because it is not charged to all, or charged equally to any.

This is not the first time this subject has been raised. It was raised on April 5, 1973, when a group of fishermen made calls on the minister and on his officials in Ottawa. They were invited to appear before the committee of the environment. The subject of wharfage was mentioned there, and the fishermen presented themselves through their president, Mr. Savage who said:

While you are on the subject of breakwaters, the subject of wharfage should be mentioned. They have put a wharfage tax on us which was picked up, I understand, from the west coast and they took from that something they thought they should force on us without considering what it would amount to in our particular area, but it is there and you have to have it and you have to live with it.

The complaint is not so much that there is a wharfage charge but that it is charged in a discriminatory fashion. There are certain areas of the coast of Canada where fishermen have never heard of wharfage charges. There are other areas where a fisherman cannot dock without a wharfage charge. The inconsistency is not fair to the fishermen of either area.

The transfer of these harbours has been a long and tortuous subject. For instance the subject was first brought up in February of 1973 when the then parliamentary secretary said that it was going to happen right away, that there had been 2,163 harbours recommended for transfer to the Department of the Environment. The matter was later raised by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and when he asked the question on July 24, 1973, he was told there would be an answer given next week. "There will be an answer next week," said the then parliamentary secretary to the minister of the environment, "as to when they will be transferred." A statement came out stating that they had been transferred on August 1, 1973. That was quite a long week.

The matter of wharfage is still not settled. It is still not being checked on an over-all basis. It is still being checked on a discriminatory and selective basis, and fishermen are now denied their livelihoods by virtue of the fact that they cannot pass freely on waters which they have fished for years.

I have a list of harbours which have been transferred in the province of New Brunswick, which includes Carleton-Charlotte, my constituency. Among those which have remained—and I say remained in the hands of the Department of Transport—are several harbours here, one of which is used as a fishermen's harbour. It also contains a ferry wharf which is perhaps properly now in the hands of MOT, but the fishermen's wharf is still under the MOT and also subject to wharfage, according to the list.

My plea is that the word of the then minister of the environment, that this matter would be resolved, should be kept by this government. He is now no longer in the House, but he spoke to those fishermen who visited here and said if he could possibly arrange matters it would be waived, and a new policy would later be announced and be brought into effect. When does that new policy come? When will the collection of wharfage be waived? When will they let the fishermen go free?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the Minister of State (Fisheries) (Mr. LeBlanc) has asked me to reply and to indicate his appreciation to the hon. member for Carleton-Charlotte (Mr. McCain) for his concern. Wharfage fees are being assessed and applied as required by law under the Government Harbours and Piers Act in respect to wharves administered by both the Department of Transport and the Minister of State for Fisheries in those locations where wharfingers are appointed.

The former minister of fisheries, recognizing the deficiencies of the current legislation to cope adequately with the many problems faced by the fishermen, received approval to prepare new legislation which would provide for improved harbour services and a more equitable fee structure.

Extensive discussions have been held during the past year in all regions across the country to obtain the views of fishermen and provincial governments and other interested parties. As a result the proposed legislation is now in an advanced stage of drafting and should be available shortly for introduction to the House. The new legislation will afford the Minister of State in charge of Fisheries the

necessary authority for the development of fishing harbours and the introduction of modern management procedures. The act will also cater nationally and regionally for the long term planning of harbour facilities required to support adequately our commercial fishing industry in the future.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, May 23, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

ALLEGED REFERENCE TO CONTENTS BY PRIME MINISTER PRIOR TO PRESENTATION—MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise under the provisions of Standing Order 43 to request the unanimous consent of the House for the proposal of a motion concerning the budget. The urgency concerns the statement alleged to have been made by the Prime Minister (Mr. Trudeau) on his provincial election trip through southern Ontario last night. In this statement, which could involve a serious breach of parliamentary ethics, he is reported by Canadian Press to have given some details of the contents of the budget by saying that the forthcoming federal budget will bring higher taxes to restrain the economy. Thereby he scooped the Minister of Finance (Mr. Turner). I therefore move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

That this House call upon the Minister of Finance to introduce his budget at once, to prevent further leaks of the contents of that budget.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST THAT PENSION BE GRANTED PERSONS BETWEEN 55 AND 65 YEARS OF AGE—MOTION UNDER S.O. 43

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

The Minister of National Health and Welfare (Mr. Lalonde) having very clearly stated in the House last night that the bill he will shortly introduce on the old age security pension will concern only spouses aged between 60 and 65, I therefore move, seconded by the hon. member for Roberval (Mr. Gauthier):

That in the opinion of the House the needs of other groups, widowers, widows, single and others between 55 and 65 years of age should be taken into consideration without delay and the Minister of National Health and Welfare requested to bring forward immediately a bill providing income security for those groups whose situation is truly difficult.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There being no unanimous consent, the motion cannot be put.

* * *

[*English*]

POST OFFICE

PROPOSED IMMEDIATE RESUMPTION OF NEGOTIATIONS WITH UNION OF POSTAL WORKERS—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I ask leave of the House to present a motion under Standing Order 43 on a matter of growing urgency. My motion concerns the work stoppages in the Post Office that are spreading across Canada, creating havoc in communications and causing economic chaos. In view of the contradictory statements being made with respect to the present state of collective bargaining for a new contract with the Canadian Union of Postal Workers, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the government and the Canadian Union of Postal Workers get to the bargaining table immediately, to work out a fair and equitable contract that will include adequate safeguards for the postal workers, including the impact of technological change, so that Canadians might be assured the high quality of postal service that has been denied them for the past eight years.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Wagner: Mr. Speaker, the minister agreed.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

HEALTH

GOVERNMENT ACTION TO ASSURE MEAT UNFIT FOR HUMAN CONSUMPTION NOT SOLD BY QUEBEC MERCHANTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for that not so artful dodger, the Minister of National Health and Welfare, about his responsibilities under the Food and Drugs Act, a federal statute which makes no reference to provincial inspectors or even to federal inspectors, but which requires the Minister of National Health and Welfare to ensure that food not fit for human consumption is not peddled to Canadians. Since the minister freely admitted yesterday that his department was aware of the problems with regard to meat inspection in the province of Quebec at least two years ago, I ask the minister pointedly not what he has done in terms of discussions, but what he has done to draw this problem to the attention of the government of the province of Quebec and to the attention of his colleague, the Minister of Agriculture, so that these very evident shortcomings in the meat inspection system in that province could be corrected?

● (1110)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): As I have already indicated, as soon as rumours started going round some two years ago, the inspectors of my department started to look into them in order to check whether there was any truth to them; upon finding concrete evidence that there was, they immediately asked the appropriate police force to make the necessary inquiry. The Quebec government was advised of the matter at that time, since the Quebec police force as well as the Royal Canadian Mounted Police were involved in the police inquiry of which we see the results today.

[*English*]

GOVERNMENT ACTION IN PROVINCES OTHER THAN QUEBEC TO ASSURE MEAT UNFIT FOR HUMAN CONSUMPTION NOT SOLD

Hon. Robert L. Stanfield (Leader of the Opposition): I will ask the minister another question with respect to his responsibilities under this act. What action has he taken with regard to canvassing the situation in other provinces? Having been well aware of the situation in the province of Quebec, what action has he taken with respect to other provinces to ensure that the kind of laxity and confusion which has been indicated in Quebec does not exist elsewhere in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): As I have just indicated, with regard to the situation in Quebec, none of the packing plants implicated are inspected by the federal Department of Agriculture. At the present time, there are no indications that packing plants in other provinces under the jurisdiction of the federal government are involved in practices similar to those discovered in Quebec. However, should any come to light, my officials will look into the matter immediately and take whatever steps are necessary. Still, I must remind the Leader of the Opposition that a number of those packing plants are inspected by representatives of the federal Department of Agriculture. Other are inspected by provincial inspectors; in still other cases, some provinces have delegated to federal inspectors of the Department of Agriculture the responsibility of checking operations of packing plants, within their respective jurisdictions.

[*English*]

Mr. Stanfield: Now that we are aware of the shocking situation in the province of Quebec, I will give the minister one further chance to tell this House whether he has conducted any survey with regard to the quality of inspection in the other provinces and whether he has done anything at all—not to pass off excuses or red herrings about federal inspection—to discharge his responsibility. Is he in a position to tell this House that meat is in fact being adequately inspected in the other provinces today?

[*Translation*]

Mr. Lalonde: I have already answered that question, Mr. Speaker, when the hon. Leader of the Opposition put his first one.

[*English*]

GOVERNMENT ACTION TO PROTECT QUEBEC CONSUMERS FROM MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the statement made yesterday by the Quebec minister of agriculture that the Minister of National Health and Welfare was shirking his responsibility and not discharging his statutory responsibilities to the people of Quebec, what is the minister now doing in light of the daily revelations in Quebec, the latest of which indicated that prepared meats are made from contaminated or diseased beef? What is the minister doing now to put at ease the minds of consumers in the province of Quebec that meat has been properly inspected to protect them?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I still believe that the best proof that steps have been taken is the investigation going on right now in Montreal. And, as the hon. member knows, the packing plants concerned have had their permit withdrawn by the Quebec government. As for the statement of the Quebec minister of agriculture, I am not aware of it. I shall look into what he may have said but it has nothing to do with the facts which everybody can check. Institutions being investigated at the present time fall under the Quebec government's jurisdiction.

[*English*]

Mr. McGrath: A supplementary question. The inquiry taking place in Quebec is a provincial inquiry. The minister cannot come to the House and tell us that he has no jurisdiction because clearly under the Food and Drugs Act he has complete jurisdiction over all packing houses. I ask the minister, in discharging that responsibility, if he will do as much now as he did last fall when Canadians were

faced with the prospect of eating contaminated hamburger. Will he give the House some assurance that an effort is being made to muster all the inspection capabilities he has, to send inspectors into the province of Quebec and discharge his own responsibilities and lay charges where they are warranted?

[*Translation*]

Mr. Lalonde: Mr. Speaker, surely the hon. member's suggestion does not deserve to be retained for the simple reason that, as I mentioned before, it is because of the work carried out by my inspectors in the province of Quebec and the current investigation that results have been obtained. The time to send investigators into the field has been long gone: the job was done over the past two years with the co-operation of the police force concerned and some of my departmental inspectors.

[*English*]

REASON FOR FAILURE TO PROSECUTE QUEBEC MERCHANTS SELLING MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. James A. McGrath (St. John's East): A final supplementary. If the minister now tells the House that the present revelations are as a result of the work done by his department perhaps he can explain to the House why he has not laid charges himself under the Food and Drugs Act.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is probably the third time the hon. member has asked this question. The reply is quite clear and simple: before instituting proceedings, we must collect the necessary evidence if we do not want to see our petition get thrown out of court. This is exactly what we have been doing for the past few months and the case is before the board of inquiry. I have personally contacted the chairman of this board. He fully agrees that we should let the investigation continue so as to bring out all the facts, before instituting legal procedures, which might otherwise cause prejudice to the current investigation.

* * *

[*English*]

FINANCE

DEFICIT IN BALANCE OF PAYMENTS ON TIRES FROM UNITED STATES—GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance along the lines of questions I put to him yesterday about the layoffs at the Firestone Rubber plant in Whitby and whether this could be attributed to the reduction in tariffs by the Canadian government. I should like to ask the minister now if he is aware that the deficit from the balance of trade for the sale and purchase of tires in the United States which has been running in the neighbourhood of $25 million a year last year jumped to $155 million and for the first two months of this year was $24 million. In other words, if the trend continues we will have a deficit in the balance of payments of more than $150 million. What inquiries are being made and what does the minister and his colleague the Minister of Industry, Trade and Commerce propose to do about this very serious situation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to the hon. member's questions yesterday I asked that the facts be brought to me. Because of the additional aspects brought forward by the hon. member this morning I will have further consultations with the Minister of Industry, Trade and Commerce.

Mr. Orlikow: Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, and in view of the fact that the lay-off of almost 300 people at Whitby is not the only lay-off in the industry as there will be more in other cities in Ontario resulting in close to 2,000 people being laid off, will the minister discuss this matter with his colleague if he has not already done so? Also, what discussions are being held, if any, with representatives of the rubber industry about the problems of our worsening trade with the United States in tires and tubes?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I understand there have been discussions with the industry but I should like to bring the whole matter up to date and get in touch with the hon. member.

● (1120)

REQUEST FOR MEASURES TO ASSURE CANADA'S SHARE OF NORTH AMERICAN TIRE MARKET

Mr. David Orlikow (Winnipeg North): Would the minister discuss with his colleague, the Minister of Industry, Trade and Commerce, the necessity, let alone the desirability, of meeting with representatives of the industry to attempt to get some assurance from them that new investment in Canada over the next few years will be at least proportional to our share of purchasing on the North American market because, as I have indicated, in recent years there has been a very sharp decrease in our share and a worsening in the situation of the whole industry and of workers?

Hon. John N. Turner (Minister of Finance): On that aspect as well, my recollection is that certain representatives of the unions concerned have been in touch with our people.

* * *

[*Translation*]

CONSUMER AFFAIRS

REQUEST FOR INQUIRY ON QUALITY OF IMPORTED BUTTER

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare.

The minister says that he has held an inquiry regarding the meat market and it is still going on. Has the minister considered setting up an inquiry regarding the processing and packing of imported butter to protect the consumer against the sale of adulterated butter, to know if the consumer eats really pure butter at 50 per cent or 100 per cent?

Oral Questions

Hon. Marc Lalonde (Minister of National Health and Welfare): It is obvious, Mr. Speaker, that this question should be directed to my colleague, the Minister of Consumer and Corporate Affairs. It is no doubt a matter of fraudulent publicity. I suggest the question be put to the minister when he will be in the House.

* * *

[*English*]

THE BUDGET

DATE OF PRESENTATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. As it is now over 40 days since the minister announced he would likely bring down the budget before the end of May and now that the minister's efforts to achieve consensus among labour and business have subsided, can the minister tell the House whether he has been successful in achieving consensus among the Prime Minister, his party House leader and himself as to when the budget will be presented?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, without accepting the tone of the preamble to the question asked by the hon. gentleman, I have to report to the House that because of the recent calling of the summit meeting of the North Atlantic Treaty Organization at Brussels, the Prime Minister must be out of the country from May 27 to 31. Thus, he will not be available for the necessary consultations on the final decisions for an early budget as we had hoped. Shortly after his return from the NATO meeting, I myself am required to be in Paris to chair the special sessions of the interim committee of the International Monetary Fund. That committee has been assigned the responsibility for international monetary development in world trading and monetary patterns which are very important to Canada, especially following the oil crisis last year.

In the circumstances I now intend, after my return and after a period of intensive final preparation—

Mr. Baldwin: And prayer.

Mr. Turner (Ottawa-Carleton): —to present the budget to the House a month from today on Monday evening, June 23.

* * *

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF FURTHER DISCUSSIONS TO ACHIEVE CONSENSUS ON RESTRAINT

Mr. Sinclair Stevens (York-Simcoe): In view of the uncertainty concerning the status of the consensus discussions shown by conflicting statements by the Prime Minister and the Acting Prime Minister today, would the minister indicate if the government plans to hold further consensus talks between now and June 23, will the minister be in charge of the discussions and, more specifically, will he indicate to the House if the government will take a definitive position on guidelines on or prior to June 23?

Hon. John N. Turner (Minister of Finance): It is my understanding that further technical meetings have been held. I gave a full report on the consensus process in the House in response to a motion put by the parliamentary leader of the NDP and that was debated last week.

MINISTER'S VIEW OF INCREASED TAXATION AS A BUDGETARY OPTION

Mr. Sinclair Stevens (York-Simcoe): In our slowing economy with its rising unemployment as reflected in UIC payments now being predicted by the C. D. Howe Institute and the *Financial Times* as being $3.3 billion to $3.5 billion this year compared with $2 billion last year, would the minister indicate whether the Prime Minister made a premature comment when he said that taxes would be rising in the budget in that rising taxes would mean a restrictive budget? In truth, is that a responsible option at the present time for the minister?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did not hear the Prime Minister's comment.

SUGGESTION PRIME MINISTER NOT MAKE STATEMENTS ON ECONOMIC MATTERS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. It is a request. Will the Acting Prime Minister convey to the Prime Minister the view of this party that he confine himself for the rest of his tour to things with which he is familiar, such as swimming pools and chandeliers, and leave the serious issues of the economy to the Minister of Finance who, for all his defects, still has the constitutional responsibility?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I suggest to the House leader of the official opposition that all the expertise on swimming pools and chandeliers is on the other side of the House.

* * *

LABOUR CONDITIONS

ALLEGATION ONTARIO UNHELPFUL REGARDING CHARGES AGAINST SEAFARERS INTERNATIONAL UNION—REQUEST FOR CLARIFICATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Acting Prime Minister. Can he advise whether the Minister of Labour's comments on Wednesday that "Ontario authorities were strangely unhelpful" regarding allegations concerning the SIU were made with the full approval of the government or whether, in view of the specific denial issued yesterday by the acting solicitor general for the government of Ontario, will the Acting Prime Minister take this opportunity to clarify the unfortunate impression created by the Minister of Labour's remarks on Wednesday?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have no correction to make to the statement made by the Minister of Labour. The situation was canvassed many times in cabinet. What the Minister of Labour said was fully justified.

Mr. Fraser: Yesterday the Hon. John Clement said in a statement, and I quote:

> All the information provided in this House by the hon. member from High Park on November 19 was forwarded to senior federal officials on December 10. Information related to charges made under the Criminal Code is in the public domain and has been freely available to federal authorities since last May.

In view of that statement, how can the government say today that the province of Ontario did not co-operate with the federal government? Can the Acting Prime Minister give us an explanation in view of that specific denial yesterday?

Mr. Sharp: Mr. Speaker, this question was raised on many occasions. The Minister of Labour and the Minister of Justice sought information that would justify the kind of inquiry the government of Ontario had been demanding. The information we received came very reluctantly. It was not very full. As a result, we had to wait to make our decision to see what the basis was for the charges that were being made. I am sure the hon. member would agree that in matters like this, one must proceed on the basis of having as much information as possible. I support what the Minister of Labour said, namely that the information was scanty and it was slow in coming. I think the Minister of Labour was fully justified in the statement he made.

Some hon. Members: Hear, hear!

REQUEST FOR TABLING OF DOCUMENTS TO SUPPORT ALLEGATION ONTARIO UNHELPFUL REGARDING CHARGES AGAINST SEAFARERS INTERNATIONAL UNION

Mr. John A. Fraser (Vancouver South): Will the Acting Prime Minister undertake today to give to this House details and minutes of the requests, communications and exchanges by telephone calls or otherwise between the federal government and the government of the province of Ontario to justify the allegations made by the Minister of Labour on Wednesday and reiterated by the Acting Prime Minister in this House today?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the government authorized the Minister of Labour to make an investigation. This investigation will go forward. Whether it would be advisable under these circumstances to comply with this request, I am not quite sure. At any rate, I can assure the hon. member that the information provided by Ontario was of the kind that had been described by the Minister of Labour. I am very happy that now at last an inquiry is under way.

PRIME MINISTER'S OFFICE

REQUEST FOR NAMES OF DONORS OF SWIMMING POOL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, a moment ago the Acting Prime Minister referred to swimming pools. I would ask him this. The Prime Minister stated he had no knowledge as to the donors—and unfortunately I was not in the House yesterday afternoon—but a few days ago it was stated that the Department of National Revenue had this information. I ask him whether on Monday he would produce the names of these so-called philanthropists who made the contribution totalling $200,000 for a swimming pool in the Prime Minister's home yard and who, before they made the contribution, sought and secured the consent of the Department of National Revenue that whatever they contributed could be deducted from their income taxes. In other words, the people of Canada would pay for the pool? Since the Prime Minister has told the House that he does not have this information but that the Department of National Revenue has it, can this information be made available so that the sham endeavoured to be perpetrated on the Canadian people that the pool is a gift when, in fact, it will be paid for ultimately by the Canadian people may be exposed?

● (1130)

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): The right hon. member knows very well that one of the kinds of information which is not made available at any time concerns the tax returns of any individual. This applies when gifts are made to the Crown. Many gifts are made to the Crown; many people were ready to make contributions, for instance, to the residence of the Leader of the Official Opposition. Those details were not revealed at the time. No one raised questions of this niggling kind about the generosity of Canadians who wanted to contribute to our parliamentary system by providing a house for the Leader of the Opposition, and I am surprised that the right hon. gentleman should now be so concerned about a matter in which he showed so little interest some time ago.

Mr. Diefenbaker: Subterfuge answers like that get one nowhere. The people of Canada have a right to know who these individuals are so that they will be able to see, whether, later on, some of them are appointed senators.

Some hon. Members: Hear, hear!

An hon. Member: Or get more dredging contracts.

* * *

PUBLIC SERVICE

REQUEST SEVENTEEN NURSES BE RETURNED TO WORK AT OTTAWA MEDICAL CENTRE OR ISSUED SEPARATION CERTIFICATES

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I had intended to put a question to the Minister of National Defence, but in his absence I will direct it to the President of the Treasury Board. Can the minister inform the House when the 17 nurses locked out for the last two weeks by

the National Defence Medical Centre will be returned to work or, alternatively, when separation certificates will be issued to enable these nurses to qualify for unemployment insurance?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I made an inquiry. All nurses who were permanent employees have been rehired. Some of them were temporary employees. As there is not so much work at this time, they were dismissed. As to their dismissal certificate, I asked that it be issued bearing the date of the day on which the government dismissed them.

* * *

[*English*]

ENERGY

REQUEST THAT CERTAIN CONDITIONS BE ATTACHED TO GOVERNMENT'S PURCHASE OF HEAVY WATER PLANT AT PORT HAWKESBURY

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I should like to direct a question to the Acting Prime Minister concerning the decision to purchase the heavy water plant in Nova Scotia. In view of the fact that Canadian General Electric contracted to provide Atomic Energy of Canada with something in the neighbourhood of 4,000 tons of heavy water over a 12½-year period, and in view of the fact that in the five years of operation CGE has reportedly only supplied one-quarter of this amount, has the shortfall been considered in arriving at the purchase price of CGE's Port Hawkesbury plant?

Hon. Mitchell Sharp (Acting Prime Minister): I should explain that both the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce are attending a meeting at the present time having to do with the conservation of energy; they regret they cannot be here in the House today. I will pass on this inquiry to the minister concerned who will reply when he returns.

Mr. Symes: Thank you. I should like the Acting Prime Minister to pass on, also, the following supplementary. In view of the fact that this heavy water plant operated by private industry has never produced at capacity due to technical difficulties—over the first four years it reportedly operated at less than 50 per cent capacity—and in view of the fact that the purchase deal between AECL and CGE includes $5 million for technical renovation paid by AECL, can the minister assure us that payment of the full purchase price of approximately $93 million is contingent upon the plant operating at full capacity?

Mr. Sharp: I will pass on that question also.

[Mr. Francis.]

EXTERNAL AFFAIRS

INQUIRY WHETHER GOVERNMENT PROTESTED RESUMPTION OF NUCLEAR TESTING BY FRANCE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Acting Prime Minister. Has the government, formally or informally, protested to France about the resumption of nuclear testing?

Hon. Mitchell Sharp (Acting Prime Minister): The Canadian government has made its views known to France on a number of occasions. We protested very strongly against tests in the atmosphere. As a member of the non-proliferation treaty, we have urged France to join with us in trying to control the spread of nuclear weapons and to co-operate with other members. So far, France has decided not to be a member. We are, of course, glad that tests in the atmosphere have been ended, but we regret it should be considered necessary to go on testing in any environment.

Mr. Gillies: Perhaps the hon. gentleman did not understand my question. I will repeat it. Has Canada protested, either formally or informally, now, to the government of France, with regard to its planned resumption of nuclear testing?

Mr. Sharp: I would doubt it, but I could make inquiries. The attitude of the government of Canada is so well known to France that it is not necessary for us to reiterate our position each time tests are underway. We also objected to testing in the United States, the Soviet Union and China.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is supplementary to those directed to the Minister of State for Urban Affairs by the hon. member for York-Simcoe.

Mr. Speaker: Order. Unless the questions are of extreme urgency I am reluctant to allow them, bearing in mind that the hon. lady is one of the initiators of the opposition motion today under which this whole subject will be discussed. Unless there are very valid reasons, I would prefer to defer questions on that topic in the interest of other hon. members present.

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SUPPLY AND SERVICES

CREATION OF JOBS IN AEROSPACE INDUSTRY IN WINNIPEG—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Supply and Services. The Prime Minister and the Minister of National Defence both made promises prior to the July 8 election that 800 aerospace jobs would be created in Winnipeg. Can the minister announce when new contracts will be announced so as to create these jobs?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, we have already announced some

contracts and I hope that I shall soon be able to announce a new contract with a company from Winnipeg. I must say that as far as aeronautics are concerned the Winnipeg area is privileged in comparison with the other parts of Canada.

[*English*]

Mr. McKenzie: As the CAE plant in Winnipeg is laying off its employees—there is now only a skeleton staff left—will any of these new contracts be allotted to that plant?

[*Translation*]

Mr. Goyer: Mr. Speaker, I must say that Transair, for instance, hired many employees and will continue to do so during the coming year. Bristol Aerospace engaged more workers than last year and, I repeat again, the general aeronautical situation in Winnipeg is much more advantageous than in any other region of Canada.

* * *

[*English*]

MANPOWER

UNEMPLOYMENT IN THE ATLANTIC PROVINCES—GOVERNMENT ACTION TO COUNTERACT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In the light of the ever increasing unemployment rate in the Atlantic provinces, is the minister in a position today to announce what special efforts are being made, or what new programs may be implemented, to deal with this serious situation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): I am not in a position today to announce a program of the nature referred to by the hon. member. Obviously, these matters are under serious and constant review. When a decision is made it will be announced in the House.

Mr. Muir: Having in mind the tragic unemployment rate on Cape Breton Island where it is ranging at the moment between 15 and 20 per cent, has the minister made special representations to the Minister of Finance regarding this serious question so that possibly after June 23 something may be done?

● (1140)

Mr. Andras: Mr. Speaker, I do not think I could elaborate on my previous answer, except to reiterate that these matters are under very serious consideration, reflecting our concern for them.

* * *

AIR TRANSPORT

FARE INCREASES—POSSIBLE IMPLEMENTATION PRIOR TO DECISION BY CANADIAN TRANSPORT COMMISSION—SUGGESTED DISALLOWANCE BY MINISTER

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. May I ask the minister whether the air fare increases will go into effect on Monday regardless whether or not a decision has been handed down at that time by the Canadian Transport Commission?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I have no reason to believe they are not going to be implemented.

Mr. Murta: A supplementary question, Mr. Speaker, which relates to an article in the Montreal *Gazette* this morning which said an increase would be brought down regardless whether or not a decision has been made at that time. Since the minister has the power, with cabinet approval, under section 64(1) of the National Transportation Act to suspend or disallow the increases, why is he not taking steps to do so? If he is taking steps to do so, would he report to the House?

Mr. Marchand (Langelier): Mr. Speaker, I think I have already mentioned to the House what steps I have taken, in my discussions with the airlines, in order to protect those who are located in the extreme parts of this country. Outside of that, the hon. member has only to look at the financial situation of the airlines to see there is only one way to improve the situation, and that is to increase fares.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED INCREASE IN NUMBER OF PROGRAMS ACCEPTED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since unemployment increases at an alarming rate, especially in the province of Quebec and in my area, may I ask the Minister of Manpower and Immigration whether he plans to authorize in the immediate future the extension of LIP projects now under way and, secondly, to accept a certain number of others which have been presented and are extremely valuable, in order to reduce unemployment effects in Quebec with the assistance of private enterprise?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, it is very similar to the previous question asked by another hon. member a few minutes ago. I would have to say that it would be raising false hopes for sponsors of LIP projects to expect an extension past the period for which their contract calls. Any other measures that might be decided upon, as I indicated earlier, will be announced in the House in due course.

[*Translation*]

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

A moment ago, the Minister of Finance informed the House that he will bring down his budget on June 23, that is 30 days from today. I should like to ask him whether he will consider in the meantime the fact that unemployment has become an excessively serious problem and that considerable funds will be earmarked for the Department of Manpower and Immigration to implement many valuable

local initiatives programs, because we don't want any other.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, my colleague, the Minister of Manpower and Immigration, and I are keeping in rather close consultation.

* * *

POST OFFICE

SUGGESTION UNION OF POSTAL WORKERS BE PUT UNDER TRUSTEESHIP

Mr. Marcel Lessard (Lac-Saint-Jean): Mr. Speaker, I want to put a question to the Postmaster General, if he can give me his attention for a few moments.

Yesterday the postal system was disrupted again in Quebec and especially in Montreal by a new sudden illness of the employees in that area. Could the Postmaster General inform the House of the state of health of these employees, particularly in Montreal, and does he intend to request a royal commission of inquiry, perhaps medical, or to place the union under the trusteeship of a responsible person, in order to put an end to the troubles we have known in the province of Quebec, particularly as regards the postal system?

[*English*]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I have been informed that the workers are suffering from what they call the "Mackasey flu". I do not know whether it is of very short duration or a prolonged illness. We do not want anyone back on the job who is ill; we may have to provide adequate medical facilities in order to make certain that they are not back on the job unless in excellent health. In the meantime, I think we must show a little patience and understanding of the frustration of these workers, who have been without any visible sign of a collective agreement for six months because their union negotiators have been preoccupied with the problem in Montreal, rather than with what should be preoccupying them, which is obtaining a collective agreement, as suggested by the hon. member for Brandon-Souris.

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HEALTH

REQUEST FOR ASSURANCE INSPECTION PERSONNEL IN QUEBEC AS RESPONSIBLE AS THOSE IN BRITISH COLUMBIA

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of National Health and Welfare. It has been my experience that the government has every right to be very proud of the federal government inspection services and staff that it provides in the province of British Columbia. From recent events it is very evident that a wide variance exists in the quality and integrity of this service across Canada. Can the minister assure the House that the federal government inspection personnel and services in Quebec are as responsible and have as much integrity as those in British Columbia?

[Mr. Lambert (Bellechasse).]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I can give that complete and total assurance to the hon. member.

* * *

TRANSPORT

COMPENSATION TO TRUCKERS FOR LOSSES RESULTING FROM FREIGHT RATE FREEZE—GOVERNMENT POSITION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct a question to the Minister of Transport which arises out of the request by the truckers for payment of compensation as a result of losses suffered due to the freight rate freeze. Has the minister met with the trucking industry, has an agreement been reached as to the amount of compensation to be paid, and has the submission yet received cabinet approval?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we did not, of course, have the same commitment to the trucking industry as we had to the railways, but I think there is a case to be made there. I received the submission of the trucking association and I also received a certain number of claims and letters from them—I do not know how many, but I think 30 or 35. I intend to bring the matter to the attention of the cabinet and try to resolve it.

Mr. Mazankowski: A supplementary question, Mr. Speaker. Since these negotiations and discussions have been taking place for quite some time, can the minister indicate to the House when a formal announcement may be made and cabinet approval granted?

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. member's guess is as good as mine, but as far as the Minister of Transport is concerned, it is going to go before cabinet very rapidly.

* * *

HEALTH

REQUEST FOR REPORT ON ACTION TAKEN FOLLOWING DISCOVERY OF CONTAMINATED HAMBURG

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Health and is supplementary to that asked by my leader. In view of reports several weeks ago that hamburger sold in this country contained unacceptable amounts of contamination, bacterial contamination and otherwise, would the minister indicate what follow up studies have been made, whether a report has been presented to him and he has taken any action as a result of such report?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I made a statement in the House on that matter several months ago, following which additional personnel had been appointed for that purpose. That personnel has carried out its work throughout the country, and in each identified case where a violation of the Food

and Drugs Act is found, proceedings are instituted according to the usual procedure.

[*English*]

Mr. Yewchuk: A supplementary question, Mr. Speaker. I wonder whether the minister would assure the House that Canadians are indeed getting hamburger that is up to standard and no longer the contaminated material that was previously sold?

[*Translation*]

Mr. Lalonde: Mr. Speaker, quite obviously, it is impossible for me to give such assurance concerning each and every establishment throughout the country. All I can say is that every available inspector within my department is at work and makes regular inquiries into this field and that every time some offense is discovered, prosecutions take place or action is taken to correct the situation.

* * *

● (1150)

[*English*]

TRANSPORT

ALLEGED PROVISION OF AIRCRAFT TO SUPPLY ENTERTAINERS FOR SASKATCHEWAN PRESS CLUB

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Transport. Can the minister inform the House whether the Ministry of Transport provided an aircraft last month to take reporters and civil servants to Saskatoon to provide entertainment for the Saskatchewan Press Club?

Hon. Jean Marchand (Minister of Transport): I will try to get the information, Mr. Speaker. I do not have it at this moment.

* * *

FINANCE

SUGGESTED CONSIDERATION OF REFUNDABLE TAX ON WAGES AND PROFITS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In preparation for his budget is the minister considering, instead of the mandatory controls he seems to feel may be necessary, a form of refundable tax on wages and profits that are above certain guidelines similar to that used during the Second World War.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am glad to have the hon. gentleman's point of view.

ENVIRONMENTAL AFFAIRS

PROPOSED CANADIAN SUPPORT FOR TEN-YEAR BAN ON KILLING OF WHALES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Acting Prime Minister. It concerns the meeting of the International Whaling Commission scheduled for London in June. Since the present selective moratorium on whale killing to which Canada is a party, and which Canada supports, has the effect of only shifting the location of the kill and the species to be killed, and still drives whales toward extinction, will Canada at London press for a moratorium which will honour the unanimous agreement of the Stockholm Conference, of which Canada was also a party, for a ten-year ban on all whaling.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I thank the hon. gentleman for the suggestion. It is a serious one and I will see that it is conveyed to the minister.

* * *

ADMINISTRATION OF JUSTICE

DATE OF APPOINTMENT TO FILL VACANCY ON THE SUPREME COURT OF NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of Justice I wonder whether I could direct my question to the Acting Prime Minister. Is the Acting Prime Minister prepared to announce the appointment of a judge to fill a vacancy on the Supreme Court of the Province of Newfoundland.

An hon. Member: Jack Marshall.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, at the last cabinet meeting we did approve some appointments. I am not quite certain whether these included a judge for Newfoundland, but as soon as the appointment is made it will certainly be announced.

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AIR CANADA

ISSUANCE OF FREE PASSES TO TRAVEL AGENCY REPRESENTATIVES—INQUIRY AS TO GOVERNMENT APPROVAL

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact that the directors and staff of the Society for the Study of the Heritage of Canada admitted in bankruptcy testimony that they travelled across Canada and to Europe both first class and economy on free passes issued by Air Canada, would the minister inform the House if the issuance of free passes to travel agencies and others is a general practice of Air Canada endorsed by the minister?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think it is a general practice of all airlines to

give passes to travel agencies. I know that some passes have been given. I regret that the hon. member for Hamilton West is not here, because I think he was one of the officials of Heritage Canada and he might tell us how he travelled.

Mr. Brisco: Mr. Speaker, without accepting the remarks of the Minister of Transport with regard to the hon. member for Hamilton West which I consider to be a low blow, I should like to ask the minister if he has some indication of the cost to the taxpayers of all these free passes.

Mr. Speaker: Order, please. Surely that information should be sought in another way.

* * *

NORTHERN AFFAIRS

ISSUANCE OF CANADIAN CONTENT GUIDELINES FOR CONSTRUCTION OF PLANTS AND PIPELINES IN NORTHERN TERRITORIES—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. In view of the fact that the Canadian government has a policy of Canadian content in respect of the construction of pipelines within Canada, has the government issued any Canadian content guidelines in connection with the plant construction and engineering services along these pipelines in the territories.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Not that I am aware of, Mr. Speaker, but it is certainly something very pertinent. As the hon. member for Calgary Centre knows, we have been discussing this situation vis-à-vis Canadian participation in the department and with the oil companies involved. I feel very strongly that the prime control should be Canadian, maximizing Canadian content.

ALLEGATION CALGARY FIRM GAVE CONTRACT TO NON-CANADIAN ENGINEERS—REQUEST FOR REPORT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, would the minister inquire into the truth or otherwise of the report that a contract was given in the last two weeks to a firm in Calgary which turned the work over to non-Canadian engineers in view of the very high quality of Canadian engineering in this field.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): I will be very happy to look into that. I am not aware of any Calgary company receiving such a contract.

[Mr. Marchand (Langelier).]

[*Translation*]

ADMINISTRATION OF JUSTICE

ALLEGED REQUEST OF QUEBEC TO ANNUL PARDON OF MR. DESJARDINS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, the Solicitor General and the Minister of Justice being absent, I wish to ask a question of the Acting Prime Minister.

About a dozen days ago the Quebec Justice Minister announced that he would recommend to the federal government and to the responsible authorities annulment of a pardon already granted Mr. Desjardins, a well known personality in Quebec construction circles. Could the minister tell us if the government or the minister in charge has received such an official request and, secondly, if such is the case, could he tell us what will be the attitude taken by the government or if a decision has already been made with regard to the request from the Quebec Minister of Justice?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am not aware of any such request. The minister will be here on Monday and will, I hope, reply to the question.

* * *

CONFLICT OF INTEREST

CONTRACTS TO PRICE, RUBIN WITHOUT TREASURY BOARD APPROVAL—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. On May 9, 1975 I put certain questions to the President of the Treasury Board in the course of his estimates with regard to the contract given to Price, Rubin without Treasury Board approval. I have not yet had an answer from the minister. Earlier I said I would give him an opportunity to give me an answer by letter if he wished. Is the minister prepared to answer that series of questions.

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I take pleasure in sending the letter immediately to the hon. member.

* * *

[*English*]

HEALTH

INQUIRY AS TO INSTRUCTIONS TO KEEP MEAT UNFIT FOR HUMAN CONSUMPTION OFF MARKET IN QUEBEC PENDING INVESTIGATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of National Health and Welfare a further question about this very shocking incident where apparently putrid meat continued to move on to the market in Quebec some two years after the minister's inspectors were aware of this. In view of the power of the inspectors of the minister to seize and

hold from the market meat that is unfit for human consumption, what instructions did the minister give his inspectors to keep this meat off the market while the investigation was going on.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, it was an extremely complex inquiry, once again, which involved criminal elements as well as following up and conducting the inquiry once the first indications being identified were referred to the police. Therefore, the police forces conducted the inquiry until they were able to get sufficient evidence for the Inquiry Commission on Organized Crime to proceed.

[*English*]

REQUEST FOR TABLING OF CORRESPONDENCE BETWEEN QUEBEC AND FEDERAL GOVERNMENT CONCERNING MEAT INSPECTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, that is pure evasion. I should like to ask the minister whether he would consult with the government of Quebec and seek permission of the government of Quebec to table in the House any communication between himself or the leader of the Government of Canada and a minister or the Prime Minister of the province of Quebec on the subject of the inspection of meat in that province during the last two years.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as far as I know, there were no written exchanges of that kind.

[*English*]

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker. I wish to refer to a question I asked during the course of the question period. On May 9, 1975, I asked the President of the Treasury Board certain very specific questions. He said that he had the answer to those questions in a letter he delivered to me. I will publicly release the contents of the letter, but I say to you, Mr. Speaker, that this is a distortion of the whole purpose of the estimates and the whole purpose of the question period. The President of the Treasury Board should be ashamed of himself for not dealing fairly with this House. This is what he said—

Mr. Speaker: Order, please. The hon. member realizes that the quality of any answer given by any minister at any time is not a subject for debate at this time.

Mr. Baker (Grenville-Carleton): The quality is like that of the meat in Quebec.

Mr. Kaplan: Mr. Speaker, I rise to speak to the question of privilege which is now before you. I appreciate that you propose to rule on the matter next Monday. In view of the way in which the hon. member for York-Simcoe attempted yesterday to join his question of privilege—which you have ruled invalid—with my own, I want to make it clear that I am not making any complaint about anything that took place outside this chamber, in committee, either as to the conduct of the hon. member in committee or the procedure of the committee. The question that I raised relates entirely to the language of the hon. member in this House.

● (1200)

Mr. Stevens: Mr. Speaker, my question of privilege is in response to the question of privilege raised recently by the hon. member for York Centre. I just want to point out to you, Mr. Speaker, that I received a copy of the letter which the hon. member sent to you and in my opinion he appears to be reversing the position that he had taken earlier in his question of privilege. Today I felt that he confirmed that reversal, and I would draw Your Honour's attention to the actual request that he made in his initial question of privilege, which was that the ruling be referred to the Standing Committee on Privileges and Elections and that nothing be done concerning language in this House, as the hon. member has indicated today.

Mr. Speaker: I propose to consider all elements of the question raised by hon. members and will make a decision at three o'clock on Monday afternoon.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the following questions will be answered today: Nos. 1,983, 2,032, 2,121, 2,153, 2,158, 2,268, 2,360 and 2,377.

Mr. Speaker, if question No. 1,116 and starred question No.1,910 could be made orders for return, these returns would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

CONSULTING SERVICES

Question No. 1,983—**Mr. Reynolds:**

Was a contract awarded by the Department of Supply and Services in September 1973 to Systems Approach Ltd., Ottawa, Ontario for consulting services at Ottawa and, if so (a) for what purpose (b) were tenders requested on this contract?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Yes. (a) This contract was placed on behalf of the Department of National Defence to develop an analytical model which would indicate the absolute and time-dependent effects of various Forces-development decisions in relation to future DND budgetary requirements. (b) Tenders were not called for this requirement. DND requested the services of this specific contractor due to the time constraint and because he was the only known con-

tractor possessing the combined capabilities needed to minimize technical and financial risk. This required experience with military problems and a composite knowledge of input-output analysis, computerized information systems and economics related to this subject.

TROPICAL PLANTS IN GOVERNMENT BUILDINGS

Question No. 2,032—**Mr. Masniuk:**

1. (a) How much money is allocated annually for the installation and maintenance of tropical plants in all government buildings in the City of Ottawa (b) what is the breakdown for each department (i) yearly (ii) monthly, if this is not simply a twelve month average?

2. What is (a) the length of the contracts (b) how often and when are they normally tendered?

3. Who is eligible to tender for (a) new installations (b) maintenance contracts for existing installations?

Hon. C. M. Drury (Minister of Public Works): 1. (a) There is no annual allocation of money specifically for this purpose. However, in the fiscal year 1974-75 the Department of Public Works expended $222,621 for the purchase and maintenance of plants in government buildings in the city of Ottawa. (b) (i) The breakdown of expenditures by the department for the fiscal year 1974-75 is as follows: Defence Research Board, $798; Department of Public Works, $1,546; Energy, Mines & Resources, $42,959; External Affairs, $655; Finance & Treasury Board, $300; Industry, Trade & Commerce, $375; Department of Insurance, $3,600; Ministry of Transport, $11,919; National Health & Welfare, $60; National Research Council, $8,555; National Revenue, $45,994; House of Commons, $755; Privy Council, $1,280; Public Service Commission, $12,369; Secretary of State, $15; Science & Technology, $613; Solicitor General, $14,899; Statistics Canada, $71,570; Supply & Services, $3,159; Royal Canadian Mounted Police, $1,200; Total $222,-621. (ii) Not applicable.

2. (a) Contracts for plant maintenance vary from one month to several years in length. (b) Maintenance contracts are tendered on an "as required basis".

3. (a) New installations of more than $100 are purchased through the Department of Supply & Services. Installations up to $100 are acquired through local purchase order. (b) Maintenance contracts in excess of $5,000 are publicly advertised and everyone is eligible to tender. Contracts under $5,000 are awarded subsequent to invited tenders from firms judged to be capable of performing the work involved.

UIC—PROSECUTIONS UNDER REGULATION 146 OF UIC REGULATIONS

Question No. 2,121—**Mr. Lambert (Bellechasse):**

1. In the Province of Quebec, how many employers were prosecuted under Clause 146 of the Unemployment Insurance Regulations in (a) 1973 (b) 1974?

2. How many of such prosecutions were successful?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Insofar as the Unemployment Insurance Commission is concerned: 1. (a) in 1973, one prosecution; (b) in 1974, seven prosecutions; Total: eight prosecutions.

2. In the eight (8) cases, the accused employers were found guilty and fined as follows: one was fined, $25.00; one was fined, $50.00; two were fined $100.00 each; two were fined $300.00 each; two were fined $500.00 each; Total: $1,875.00.

UNEMPLOYMENT INSURANCE COMMISSION—PHYSICIANS DECISION

Question No. 2,153—**Mr. Gauthier (Roberval):**

Can a physician's decision be overruled by an officer of UIC and, if so, as of what date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes. However, the decision is appealable to a board of referees and in certain cases to an umpire who is a judge of the Federal Court.

UNEMPLOYMENT INSURANCE COMMISSION—CLAIMANT ASSISTANCE PROGRAM

Question No. 2,158—**Mr. Gauthier (Roberval):**

1. Has UIC discontinued the Claimants Assistance Programme as provided for in section 106 of the Act and, if so (a) on what date (b) for what reason?

2. Has the Claimants Assistance Programme been replaced by the Special Interview Programme and, if so, on what date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. No. (a) Not applicable. (b) Not applicable.

2. No.

SPRUCE BUDWORM SPRAYING—NEW BRUNSWICK

Question No. 2,268—**Mr. Howie:**

1. What areas of New Brunswick will be sprayed to prevent spruce budworm damage this year?

2. On what date will spraying take place and with what chemicals?

3. How much money will the government contribute to such spraying in New Brunswick?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. Under the authority of the government of New Brunswick, approximately 6.5 million acres of fir-spruce forests mainly in central and northern New Brunswick will be sprayed in 1975 to prevent budworm damage.

2. The bulk of the spraying will be done in late May or early June depending on host tree development and weather. Materials to be used include Fenitrothion, Phosphamidon, Matacil and Dylox which have all been registered for use in Canada in 1975.

3. No funds for pest control assistance were included in the 1975-76 estimates. Future federal assistance to the provinces is now under review.

CRTC HIRING PRACTICES

Question No. 2,360—**Mr. Brisco:**

Since the Official Languages Act came into force on August 1, 1972 (a) how many Anglophones have been hired by CRTC and, how many (i) were fluently bilingual (ii) underwent French-language training (iii) completed French-language training (iv) passed the French-language test (b) how many Francophones have been hired by CRTC and,

how many (i) were fluently bilingual (ii) underwent English-language training (iii) underwent English-language testing (iv) passed English-language training?

Hon. Gérard Pelletier (Minister of Communications): In so far as the Canadian Radio-Television Commission is concerned: (a) Anglophones, 56; (i) Bilingual Anglophones, 12; (ii) Language training, 19; (iii) Completed language training, 6; (iv) Passed test, 6; (b) Francophones, 72; (i) Bilingual Francophones, 59; (ii) Language training, 2; (iii) Completed language training, 2; (iv) Passed test, 2.

HIGH TENSION ELECTRICAL LINES

Question No. 2,377—**Mr. Herbert:**

1. Have there been any discussions between officials of the Department of Transport and Hydro-Quebec or the Government of Quebec concerning the locations at which the high tension electrical lines to export power to New York State will cross the Ottawa and St. Lawrence Rivers?

2. Have any decisions or agreements been made?

3. Is this matter of concern to the Minister of Transport?

Hon. Jean Marchand (Minister of Transport): 1. Discussions have been held with Hydro-Quebec relating to high tension electrical lines crossing the Ottawa River below Carillon and the St. Lawrence River above Beauharnois.

2. No.

3. All overhead power transmission lines are of concern to the Ministry of Transport from the point of view of clearance above water level for the protection of navigation.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

DREE GRANTS

Question No. 1,116—**Mr. Laprise:**

1. Since the establishment of DREE, what were the amounts granted by province each year for the creation of new jobs (a) for Canadian businesses (b) for foreign businesses?

2. For each amount, how much was allocated to the (a) timber industry (b) lumber industry (c) pulp and paper industry?

Return tabled.

COST OF NATIONAL AND PROVINCIAL MEDICARE 1973 AND 1974

Question No. 1,910—**Mr. Rynard:**

1. For the years 1973 and 1974, how much was spent on (a) national and provincial medicare (b) hospital care?

2. By province, what is the (a) total health care costs for (i) acute (ii) mental (iii) chronic (b) number of chronic care units and what is the cost per bed?

3. What is the contribution per bed by the government (a) in active treatment hospitals (b) for chronic care units?

Return tabled.

Mr. Paproski: Mr. Speaker, I rise on a point of order which again stems from the reply by the Secretary of State for External Affairs regarding my questions on the

order paper Nos. 1,480 to 1,511 inclusive. The minister said in reply:

—I believe that to answer all the hon. gentleman's questions fully would cost in excess of $10,000. Maybe a more selective approach on the part of the hon. member would relieve me of concern in that area and possibly provide him with the information he is seeking.

I would suggest, through you, Mr. Speaker, that if the hon. member would like to send over the files I would be able to pick out the information and I am sure it would not cost $10,000.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR IMMEDIATE GOVERNMENT ACTION TO REVERSE DECLINE IN RESIDENTIAL CONSTRUCTION

Miss Flora MacDonald (Kingston and the Islands) moved:

That this House urges the government to take strong and immediate action to reverse the decline in residential construction so that Canadians again can have access to decent housing at prices they can afford.

She said: Mr. Speaker, today we have a debate in this chamber because we are experiencing at present a crisis in the residential construction industry. For the past year the health of this vital sector of our economy has deteriorated from warning symptoms to an acute illness. It has deteriorated because of the government's failure to recognize the severity of the problem in the housing sector and its failure to take any effective action. There should be no crisis today, but the government ignored the warnings, disregarded the facts and misjudged the economic situation in this country.

I could quote the words, promises and intentions with regard to housing made by the government over the past 15 months, but that exercise would be as fruitless as the measures they have taken to deal with the crisis. Let me assure the minister, who last fall stated that the "situation is a problem rather than a crisis", that the crisis has now escalated to emergency proportions. The housing situation today in Canada is critical. Without strong and effective action by the federal government it can only worsen in the months ahead to the point where we will be facing a genuine housing crisis in the full sense of the term.

In effect, we have two major housing problems today. We have a supply problem. At the current rate of activity we simply are not going to build enough new housing units in Canada this year even to meet our minimal requirements in terms of new family formations. We also have a serious cost problem, particularly in regard to mortgage interest rates. At current cost, many Canadians simply cannot afford to purchase a home of their own; many others are forced to spend a disproportionate amount of their disposable incomes on housing in order to meet these high costs.

A word or two on the supply issue. Even with some improvement during the month, new housing starts in

April were running at an annual rate of about 180,000. The minister himself has admitted over and over again that we need at least 210,000 starts as a minimum objective. We on this side of the House believe that a target of 250,000 starts is not an unrealistic objective for a government which really cares about housing and is prepared to give it some priority.

● (1210)

This sharp reduction in residential housing activity is bad enough in itself for Canadians seeking to enter the housing market and who now face the propect of being unable to acquire a new house at the currently inflated prices, but it has even broader economic implications. Employment in the construction industry is down about 20 per cent from a year ago, and we all know that slack in the residential construction industry has a very real rippling effect on other sectors of the economy, including suppliers of household furnishings and building materials. Indeed, it should be obvious even to the government that housing is one area where we can consider expansionary programs without the threat of setting off new inflationary pressures.

There is plenty of slack in this industry now, and it could be taken up without adding to inflation. It should be taken up as one answer to our growing unemployment problem, and to meet the basic housing needs of the Canadian people. But as things now stand, lack of any government leadership to stimulate the Canadian housing industry is going to have an adverse effect on inflation in this country. I would remind the minister of that very forcibly because he is well aware, I am sure, that real estate experts are already telling us that without an immediate improvement in new housing construction we are in for a new round of housing price escalation before the end of this year. I am told that in some markets, at least, unless conditions improve housing prices will rise by at least 15 per cent within a year. That is hardly a pleasant prospect for a country in which housing prices are already far too high for many thousands of its citizens.

Housing prices will in fact have a double impact on inflation. Not only will the price of housing increase but more pressure will be put on wage and salary earners to demand even higher increases to meet escalating costs for this largest single item in the family budget. So there is a double impact on inflation. Surely, on these grounds alone, putting aside whether he even cares about the housing needs of the Canadian people, one might think the Minister of Finance (Mr. Turner) would show more interest and more concern in dealing with this problem than he has to date.

The other major housing problem of the day is the sheer cost of it. Costs have continued to rise in most of the component areas of housing: land, servicing and construction. But unquestionably the major factor in pricing housing beyond the reach of so many Canadians is the high cost of mortgage financing. Indeed, no element in the present situation is more disturbing than the fact that mortgage interest rates, rather than falling are actually on the upswing again. After a drop to about 10¼ per cent they have risen to 11 per cent and beyond, and there are now predictions that rates may well go to 11½ per cent or 12 per cent before the end of the year.

[Miss MacDonald (Kingston and the Islands).]

The effect of such increases, of course, is to add significantly to the monthly carrying costs faced by a home purchaser to the point where many Canadians simply cannot entertain the possibility of buying a home even if they are prepared to devote 30 per cent or more of their income to shelter costs. That is the tragic situation which exists at this particular time.

In a very real sense, then, these rising mortgage rates mean that Canadians, in their housing budgets, are being asked to bear the financial brunt of the international balance of payments difficulties now facing the government. With the prospect of a current account deficit as high as $5 billion this year, the government is forced to maintain interest rates at a very high level in order to attract short-term flows of foreign capital. Whether that is the proper policy from a balance of payments point of view is one question, but there is no question that this high interest rate policy is a disaster as far as Canadian housing needs are concerned.

As I have already noted, high mortgage rates are preventing many Canadians from buying homes. One has only to talk to builders to know that mortgage rates are probably the single most important factor in deterring new residential construction in this country. Builders simply are reluctant to put new housing stock on the market as long as prospective buyers will have to face interest rates as high as 11 per cent or more; and, I might add, as long as we have a government in Ottawa in which the building industry, along with so many other Canadians, has no faith with regard to getting inflation under control.

Given the fundamental importance of housing to Canadians and to the Canadian economy, and given the magnitude of the problems now facing the country, it is certainly an understatement of the first order to describe this government's response to the housing crisis as inadequate. Indeed, with this government it is not even a case of recognizing the urgency of the problem, but of initiating the wrong response. As far as the housing crisis is concerned, this government simply has made no response.

We have discussed on many previous occasions the inadequacy of the CMHC capital budget. The year to year increase in it has been barely sufficient to offset the costs of inflation, yet the remainder of the federal spending program—we only have to look at it—continues to grow by leaps and bounds. So much for housing as a priority concern with this Minister of Finance and this government. We only have to look at the expenditures on housing compared with other sectors to know that it has a very low priority indeed.

In recent days we have seen yet another indication of the little importance which the government attaches to the whole question of housing. The Minister of State for Urban Affairs (Mr. Danson) had invited the provincial housing ministers to Ottawa on Wednesday of this week to discuss further housing initiatives, in advance—one presumes—of a new budget. He even asked them to bring along revised spending forecasts for their provincial housing budgets. At the last minute, with no real explanation, the minister cancelled the meeting. Why? Was the Minister of State for Urban Affairs slapped down again by his colleague the Minister of Finance? Has housing been

shunted to the back burner again, in terms of the priorities of this government? If that is the case, then perhaps we have reached the point where we are entitled to ask the Prime Minister (Mr. Trudeau) whether it is not time he appointed a minister of urban affairs with a bit more influence on his colleagues.

Mr. Stanfield: With a little more respect for him.

Miss MacDonald: The minister might tell us, when he responds in this debate, whether he has rescheduled a date for the meeting with provincial cabinet ministers, as he undertook to do in the telegram to them of last Friday when he said:

—I expect to be in a better position to suggest an alternate date towards the end of next week—

That means this week, and today is the last business day of this week.

—appreciating both the value and the urgency of this discussion to all concerned.

● (1220)

To date he has not done that. One wonders about the value and urgency which he attaches to it. The only other explanation I can suggest is that the minister really does not care what the provinces think about housing. Perhaps he has succumbed completely to the viewpoint of his chief adviser, the "know it all" president of CMHC who, clearly, would like the provinces and, one assumes, the municipalities too, to go away and let him run the whole show. We already have seen evidence of that attitude in the capital budget, with 60 per cent of the over-all allocation reserved to two programs, AHOP and Limited Dividend, in which the federal government deals directly with the marketplace without any requirement to consult other levels of government. Where it can, the federal government completely ignores dealing with the provincial and municipal governments in a field as sensitive as housing.

If that is his new philosophy, then I say to the minister that he is on a dangerous course—indeed, a disastrous one in so far as the housing needs of the Canadian people are concerned. It is not an issue of constitutional supremacy; it is a sheer question of what will work to produce houses for Canadians. I have no hesitation in saying that even a man of Mr. Teron's self-confidence simply is not going to be able to run roughshod over the needs and wishes of our other two levels of government. It may feed his ego to try it, but it will be at the cost of housing for Canadians.

A new "we know best" strategy is not what we need at this point to get residential construction back on the rails in this country. What we do need is a major, concerted effort by all levels of government to deal with the two basic housing problems now facing our country. We need effective policies to stimulate housing supply, to get more units built and to get them built as quickly as possible, and we need better policies to ease the impact of a national high interest rate policy on the housing market.

In so far as housing supply is concerned, one area where the federal government can and should increase its support is in bringing more serviced land onto the market. A shortage of serviced land has been a chronic problem of the Canadian housing industry, particularly in the major urban areas. I realize that CMHC now has a municipal infrastructure program, but even the minister, I am sure, would be forced to admit that it does not begin to meet the need in this area. Indeed, I understand that the government of Ontario alone could use another $100 million this year to bring onto the market land which is ready for servicing and development if funding were available.

I would suggest, too, that the current Assisted Home Ownership Program, including the new elements about which the minister boasted so glowingly last fall, simply is not doing the job. Certainly, it is not producing anywhere near the flow of private funds into the mortgage market which the minister so confidently predicted it would earlier this year. I believe there are a number of reasons why it is not doing the job. I understand, for example, that without an adequate secondary mortgage market, and we come back again to the inexplicable delay by the government in getting its own vehicle into operation in this area, and there has been no explanation for this delay, after a year and a half, by either the minister in charge of housing or the Minister of Finance—

Mr. Stanfield: It is an insult to parliament.

Miss MacDonald: He is waiting for more defeated Liberal candidates. Without such a secondary mortgage market, some institutions simply will not accept the 35-year amortization which the minister and his officials insist on under the current AHOP program. But beyond that, Mr. Speaker, I would suggest that a large part of the problem with AHOP is that it is stifled by bureaucratic red tape. The minister and his officials just cannot seem to resist the temptation to set as many rules and regulations as they can dream up, so we have artificial income limits established on top of unrealistic maximum house prices.

I am not suggesting that the program should not have any limits, but I am saying that a simple guideline in terms of the maximum amount of a mortgage to be supported by this kind of interest subsidy would have done the job in a way that would not discourage so many Canadians from even trying to participate in it.

A third kind of initiative the government could take, and one we have advocated for many months, is to allow at least some part of the cost of mortgage interest as a deductible expense for income tax purposes. Our party during the last campaign advocated that such costs above 8 per cent—which used to be an average mortgage rate until inflation broke loose under this government—be deductible up to a maximum of $1,000. A program like that would not be overly expensive but it would be extremely helpful to Canadians trying to carry the very high costs of home ownership in today's economy. It would have considerable symbolic value, too, Mr. Speaker, as an indication that the government and the Minister of Finance at least rate home ownership as important in individual investment terms as speculating on the stock market.

Mr. Speaker, there are areas where the government can take effective action to help meet the housing needs of the Canadian people. Programs can be undertaken in this area without adding new inflationary pressures to our economy but which will have significant benefits in terms of stimulating employment and economic recovery. What is missing from this government is the will to act and a degree of concern which gives housing a reasonable place in the

government's scale of national priorities. The tragedy is that in many respects it is already too late to achieve the maximum potential impact for 1975. We are already too far into the building season to get as many new units up and completed as would have been the case if the government had responded weeks and even months ago as we on this side of the House urged them to do.

Today we learned that the budget has been delayed until June 23. In view of this delay, and in view of the fact that the peak of the construction season will be over by the end of June, I ask the minister if he is prepared to bring in immediately the contingency housing plan that was referred to earlier this month so that there will not be a further delay in the construction of much needed housing. But with this government, Mr. Speaker, one is forced to accept the fact that the best one can hope to achieve, really, is too little and too late. So I urge the minister to at least give the Canadian people that much, to at least take action now so that, in the words of our motion, the people of Canada again can have access—as they deserve to have access—to decent housing at prices they can afford.

Some hon. Members: Hear, hear!

Mr. Stanfield: Houses before swimming pools; that's what I say.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the hon. member for Kingston and the Islands (Miss MacDonald) began her speech by saying that we are facing a housing crisis. I think she is right. However, it is a sign of how deeply the public, and particularly the media, feel about this problem that in the press gallery at the moment there is only one journalist.

At the beginning of this year the minister announced that it was the government's intention to build in the neighbourhood of 210,000 housing units in 1975. At the end of March, no doubt to the consternation and disappointment of the minister, we were building houses at the annual rate of 144,000 units. There was some improvement in April, but we were only building at the rate of 180,000 new homes a year, which is a far cry from the 210,000 units the minister predicted would be built, and much lower than the number of houses we need. The hon. member for Kingston and the Islands wants to see 250,000 new homes built. I think that figure is too low.

● (1230)

The minister prides himself on his proposals to encourage starts for rental housing. He is providing $200 million in subsidies. They can produce 10,000 units at the outside, a mere drop in the bucket. The response of developers, to say the least, has been unenthusiastic because grants are too low to support rental projects even with the federal subsidy. Many people are predicting 180,000 housing starts for this year, compared with 220,000 in 1974 and 268,000 in 1973.

The interest rate on NHA mortgages now is 11.25 per cent. The rate on conventional mortgages is somewhat higher, 11.5 per cent. Mr. Peter Carter, of the Royal Bank said at the end of April that interest rates were probably at their low point. Heavy demand for corporate and government financing both in Canada and in the United States will keep interest rates high. Not only are interest rates high; the supply of mortgage funds is tight. A recent survey by the Mortgage Insurance Company of Canada found the supply of money for NHA and conventional mortgages limited. Lenders are restricting loans to prime real estate and scrutinizing applicants carefully to make sure they can afford the high monthly payments.

I do not have time to discuss how large one's income should be if one is to qualify for a mortgage. The minister has done nothing to bring down interest rates. Actually, his AHOP program helps to keep rates up by subsidizing the monthly payments of borrowers. His new, private AHOP program stipulates that a family shall obtain a mortgage from a conventional lender. The mortgage will then be subsidized, but the catch is obtaining mortgage funds when they are in short supply.

The minister has misconceived what is happening in the housing field and what is needed. He has placed unwarranted faith in the housing industry, being under the illusion it can meet the housing needs of the people of Canada. The result is that we are not building enough houses for people who need them. Another result has been the rapid increase in house prices. The average price of a house sold through multiple listing increased by only 9.2 per cent in the first quarter of 1975. High interest rates and shortage of mortgages have had a dampening effect on house prices. Even so, the cost of the average house is still more than the average Canadian family can afford.

A comparison of house prices in the first quarter of 1975 compared with prices in the same period of 1974 is shocking. In Ontario, the average price of a house in 1974 was $46,000—odd. One year later the price had jumped to over $48,800. In British Columbia, the average house cost $37,600 in 1974, and $49,632 in the first quarter of 1975. In Alberta, the average price jumped from $35,013 in 1974 to $42,972 in 1975. In Manitoba, the average price jumped from $24,369 in 1974 to $31,097 in 1975. In Quebec, house prices jumped from $30,381 in 1974 to $32,095 in 1975. You can see what has happened while the minister has been fiddling with his plans. Not one of them amounts to more than a patch on the hull of a sinking ship.

The total emphasis of this minister—indeed, of all ministers who have been responsible for housing in the last 20 years—has been to increase the number of housing starts. But no one has asked about the quality of the housing we are building. So far as I know, neither the minister, the department nor Central Mortgage and Housing have investigated the quality of the housing we are building. For example, do we know how many young people, newly married couples, and poor people are getting houses, or how many rich people are buying houses? If the minister, the department or Central Mortgage and Housing have done such studies, I can only say they must be kept in a very deep freeze.

British Columbia has implemented rent controls, and Ontario is talking about them. Here we are, having built houses at record rates for 20 years, and we have to talk about rent controls. Why? I suggest the reason is that we have not built for people in the lower and middle income groups, for those who really need houses, but for those who are already well housed and want to improve their housing. We have encouraged the well-to-do to improve

their standards and not done much for people in the low and middle income brackets. Central Mortgage and Housing have sponsored innumerable design competitions for individual, single-family detached houses. It has awarded innumerable prizes for good design. But how many prizes have been awarded for the design of multiple-family housing units, or housing units for mixed socio-economic groups? According to a reliable source, Central Mortgage and Housing has sponsored only one such competition. If I am wrong, I hope the minister will correct me and tell me where such studies can be found.

In an earlier speech I spoke about housing in Germany and Scandinavia. Last week I was in Israel. I know the minister has been there too. I was in the old city of Jerusalem where, as the minister knows, houses are built from stone locally available. One can see many amazing things in Israel. Possibly the most amazing thing I saw was a housing development in the heart of old Jerusalem, overlooking the Wailing Wall and the Blue Mosque. It was a tremendous project. It consisted of one storey, multiple-housing units. There were courtyards between and around the housing units to provide fresh air in that hot climate. I have not seen that in any city in this country. Israel lives under a constant threat of war. It devotes more than 50 per cent of its national budget to defence purposes, but it does things for housing which put a wealthy country like Canada to shame.

● (1240)

I want to raise one more question. This housing crisis will not last only for 1975. You cannot build good, sensible housing accommodation by following the stop, start and go policies which Canadian governments have followed for so many years with regard to housing. The number of houses built in Canada is not determined by the needs of the Canadian people but by what the government feels is the economic situation. That is how the decision is made as to how many houses will be built. We have all the physical materials needed to build houses, we have all the necessary manpower and some of the best builders in the world. I saw housing in Israel which, if it was not designed by Mr. Safdie who designed Habitat, was certainly designed by some of his students. We have all we need to build good houses. We do not build them because the decision as to how many houses will be built each year is made once a year for the coming year, not on the basis of need but on the basis of other facts. The most efficient industry in the world could not operate at maximum capacity under those circumstances.

What we need is long-range planning in the field of housing. We need a commitment from this government for three to five years ahead. As the hon. member for Kingston and the Islands said so eloquently, this government should sit down with the provinces and the municipalities and say, "This is what we can afford for 1975, 1976, 1977, 1978, and so on. How much land will we need? How much servicing will be required? How much money will be needed? What kind of housing should we build? How much of that housing should be devoted to middle income people and how much should be devoted to low income people?"

That is the kind of planning which needs to be done. I am not talking about a utopian situation or some socialist never-never land. That is the kind of planning being done in not just the Scandinavian countries but in every country in western Europe. It is being done in Germany, which has a social democratic government. It is also being done in Belgium, Holland and France which has not had a socialist government since a few years after World War II. As I said, that is the kind of planning being done in Israel. However, such planning is not being done on the North American continent, neither in the United States nor Canada.

There is much to be admired in the United States, such as their energy, drive and technical know-how. However, if there is one place we should not take a lesson from, and one place we should not use as an example on how to meet our housing needs, it is the United States. Their free enterprise has not only gone wild; it has gone mad. No country with such resources has done as poor a job in the field of housing as the United States.

We ought to be putting our planners, architects, engineers and builders to work now on plans for the future. They should not just be planning the building of 200,000, 225,000, 250,000 or even the unimaginable 300,000 units a year, because if those housing units are built for people with adequate housing we will not only have failed but will have perverted the whole purpose of a housing policy for Canada.

I will conclude as I have on several other occasions. We are apparently going to have a summer break. During the summer months, I ask the minister to give serious consideration to rethinking what we have been doing. He should visit some of the countries I have mentioned to see what is being done there. If he will go to those countries with an open mind and look at what they have done, I am sure he will scrap a great deal, if not all, of what he and his predecessors have been doing. He will bring forward programs which will at least begin to meet the needs of people in every city of this country. There are still people in this country living on incomes of $3,000, $4,000, $5,000, $6,000 a year. They cannot afford to buy or to rent adequate accommodation even if they avail themselves of every one of the programs the minister has proposed up until today. I hope the minister will think seriously about these problems and that when we return this fall we will see a real change in the government's direction and policy with regard to housing.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the House deals today with a very serious matter, namely housing for Canadian people. The supplies of the Minister of State for Urban Affairs (Mr. Danson), as well as the implementation of all housing acts the minister is responsible for, deserve objective examination by members of parliament.

Mr. Speaker, I cannot believe that partisan considerations with respect to the representation of constituencies in Parliament interfere with the implementation of those housing acts. However, when I consider how slowly some agreements were reached with provinces, especially between the province of Quebec and the federal government, I am satisfied that there have been squabbles, not economic ones, but political squabbles which have been prejudicial to the interests of municipalities in our provinces, and

especially in Quebec, and also to the interests of taxpayers who expected to benefit from certain national acts passed by Parliament to benefit not only taxpayers living in some municipality or other but also municipalities themselves.

Mr. Speaker, it is very well to consider the passing of excellent housing legislation by the Parliament of Canada, but we should also get the means of implementing those acts so that they can fully benefit municipalities and taxpayers.

May I draw the attention of the minister to a matter of particular concern in Quebec and especially in the constituency I represent, namely Bellechasse, the matter of implementation of the housing act and the Neighbourhood Improvement Program.

Mr. Speaker, I remember taking a very active part in the discussions on Bill C-133 and cooperating, I believe, most sincerely with the minister to have that bill passed so that it would benefit Canadian families and also that municipalities with insufficient incomes to implement a Neighbourhood Improvement Program would benefit from a legislation which in my opinion is, and was at the time, extremely positive, so that all families in a municipality or a neighbourhood enjoy equal opportunities and services as compared to the residents of another municipality or another neighbourhood. In September 1974, the present minister of State for Urban Affairs succeeded in signing with the Quebec authorities an agreement clearly stipulating that such and such municipality may take advantage of the provisions of Bill C-133, and this agreement refers to the municipalities of Montreal, Quebec, Saint-Hubert, Laprairie, Donacona, Farnham, Saint-Georges, Saint-Hyacinthe, Saint-Jean, Solomon, Montreal a second time, as far as Carmel Park is concerned, Quebec City, with regard to a second pocket in Saint-Sauveur, Montreal North, Lachute, Jonquière and Longueuil. But I am surprised, Mr. Speaker, at not finding the name of Montmagny on that list.

And it was precisely in order to enable the town of Montmagny to develop a neighbourhood called "quartier sud" that I worked especially in order to provide the residents of that district with the public utilities they need and which exist in other neighbourhoods.

The agreement provided also—and I agree—that the neighbourhood should be first designated and then approved by the province at the request of the municipality. This means that any municipality can apply to the Quebec Housing Corporation or to the Minister of Municipal Affairs. If the government of that province recognizes that the district designated by the municipality falls within Bill C-133 with regard to the neighbourhood improvement program, it is only then that the federal government can step in through the Central Mortgage and Housing Corporation and grant subsidies directly to the municipality and to the taxpayers living in the designated neighbourhood.

I hope that during this discussion, the Minister of State for Urban Affairs will be able to tell us what procedure must be followed by the municipalities that wish to benefit from this legislation.

Last week, the mayor of Montmagny was here in Ottawa. He met with the officials of various departments and was well received. The problems he submitted to the various departments were fully looked into. However, he was given information he did not have on the procedure to be followed by municipalities, whether rural or urban, in order to benefit from this legislation.

Mr. Speaker, may I call it one o'clock?

The Acting Speaker: Order please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Prosper Boulanger (Mercier): Where are the official opposition members?

Mr. Lambert (Bellechasse): Mr. Speaker, I just heard a government member ask: Where are opposition members.

Mr. Boulanger: Members of the official opposition!

Mr. Lambert (Bellechasse): Yes, he specifies the official opposition! Well, Mr. Speaker, it is understandable that people are late on a Friday when the heat is stifling and the humidity high and there is not air conditioning everywhere as in the House. I think that despite . . .

An hon. Member: We should perhaps have a swimming pool built in the House.

Mr. Lambert (Bellechasse): Someone says that it might be necessary to build a swimming pool inside Parliament. It think it would be somewhat audacious. We might start by using the pool of the Prime Minister (Mr. Trudeau), because it is very big. There would be room for several members at a time.

An hon. Member: He will certainly invite us.

Mr. Lambert (Bellechasse): This being said, Mr. Speaker, I should like to return very seriously to the subject we were dealing with earlier this morning, but more specifically with the ratepayers within a number of municipalities and also with the municipalities which are responsible for their own housing.

Well, I have before me a well-prepared document, dated in April of this year, which may prove very useful to municipal administrators who want to avail themselves of some benefits available from federal sources, but in conjunction with the provinces. Although this is a very well-prepared document, it would be necessary—

An hon. Member: Who prepared it?

Mr. Lambert (Bellechasse): I have just been asked who prepared it. I do not know.

An hon. Member: Civil servants.

Mr. Lambert (Bellechasse): Our employees are certainly very well paid anyway, so they ought to be able to do a good job once in a while.

So, when it is well done, we are happy to say so, Mr. Speaker, and I want to add this: that document should be made available to all municipal administrators. As far as I am concerned, I have tried to get a number of copies to allow municipal administrators to have a look at it and submit in due course requests regarding those acts.

Here is what we can read on page 20 of the program:

An hon. Member: Which page?

Mr. Lambert (Bellechasse): Page 20.

An hon. Member: We haven't got it!

Mr. Lambert (Bellechasse): You haven't got it? That is very regrettable, you are behind the times, because you are supposed to have it in the House today when the estimates of the Department of Urban Affairs are discussed.

The federal government, through the Neighbourhood Improvement Program of the Central Mortgage and Housing Corporation, helps municipalities and local residents to keep up and improve the essential urban neighbourhoods threatened with decay and destruction.

Such dilapidated districts can be found in various areas across Canada where services are lacking and should be improved. It is to improve this situation that Parliament voted this legislation.

Districts for which assistance is intended must be mostly residential . . .

It is one of the major conditions.

. . . and not occupied primarily . . .

An hon. Member: That is all well and good.

Mr. Lambert (Bellechasse): You make your speech later on and we will listen to you.

Some hon. Members: Order!

MR. LAMBERT (BELLECHASSE): . . . by low income people . . .

An hon. Member: You read well.

Mr. Lambert (Bellechasse): You, sir, the member for Saint-Denis (Mr. Prud'homme)—

. . . in these places

An hon. Member: You are out of order. One must say "the hon. member for Saint-Denis".

Mr. Lambert (Bellechasse): The hon. member for Saint-Denis likes to be respected. I hope he will respect others by setting the example.

In those cases, the Central Mortgage and Housing Corporation will finance half the cost of certain types of improvements, and one-fourth of the others. Subsidies are provided for helping to select the neighbourhoods, draw up plans, purchase the land intended for housing, social and recreation facilities, improve municipal facilities and other types of improvements. Central Mortgage and Housing Corporation will also loan the municipality up to 75 per cent of its share of the cost of the project.

The Neighbourhood Improvement Program is subject to a federal-provincial agreement whereby municipalities are chosen in those provinces which are eligible for assistance. The municipality suggests the neighbourhoods it would like improved. In every case, the local residents must participate in the planning and execution of the project.

Mr. Speaker, this introduction to the document I have just quoted partly is excellent provided the criteria, the standards required are applied uniformly across Canada and, as far as I am concerned, across Quebec.

We should not proceed in such a way that we give the impression there is discrimination, that some advantages are given to a municipality and refused to another.

I would like to ask the minister to look closely at the applications made to him, at the areas which are accepted by the province, in particular by the province of Quebec, so that other municipalities can have the same advantages by requiring the same conditions and the same criteria. At present, and I hope it is a wrong impression, we can see why one municipality has not been accepted, while another has been, and those are two similar municipalities. Now, I understand one can find differences in studying the records, and those differences must be known to the public, so as not to give way to erroneous judgments which could lead one to think there is patronage in any given place. Such situations must absolutely be avoided.

Now, there is another aspect of the housing problem which is contained in an act, and is still implemented in cooperation with the provinces. I agree that we should try to reach an agreement for the solution of family and low income people housing problem.

Quite recently, more exactly on April 28, the Minister of State for Urban Affairs issued a list of localities which will be eligible for benefits under that federal-provincial agreement to build 38 projects, 1,435 low-income housing units in the province of Quebec, in cooperation with the Quebec Housing Corporation.

Mr. Speaker, I would like once again to request that more information be given to the public on that subject. The matter is more delicate in Quebec than in other provinces, because people are more "touchy" there, given the particular situation, and a certain feeling, I would not say of independence, but of separation, because for my part I make between independence and separation a clear distinction, which I consider necessary. Everybody seeks independence, seeks the power to be self-sufficient, to decide for him or herself. The same holds true for associations, for municipalities and for provinces, and it should be true also for our country Canada: we must be able to decide for ourselves. The best way to make a final choice, is to have the financial means to decide and carry out the decisions made.

As I consider the lengthy list of municipalities that were accepted, I note that an amount of $30 million was involved. But there are also municipalities in my constituency where the minister has proven generous and I am grateful to him.

An hon. Member: There was no patronage.

Mr. Lambert (Bellechasse): Yes, I am convinced there was no patronage. One thing is sure, had there been any such patronage, I would have had the courage to say so. But I am a person who readily admits matters that are carried out objectively, and I am pleased to say so.

I would simply wish to point out to the minister that something is really unacceptable to the population as a whole, because these loans were granted at an interest of 10⅜ per cent over a 50-year period. Mr. Speaker, I should like to suggest to the minister that all possible efforts be made so as to permit such grants to be made to these organizations, be they at the municipal or cooperative level, but that such loans be granted at a lower interest rate because if it is calculated quite objectively and with impartiality, we will see that on a 50-year period $400,000 and $500,000 loans at 10⅜ per cent will compel these corporations, these organizations to pay $1,500,000 in interest, thus trebling the construction cost, not taking into account maintenance, requisites, normal expenses to be made to keep such houses in good condition. Then no wonder, Mr. Speaker, that with such excessive rates of interest, low income people are in a difficult position even though they might receive two old age pensions. Directors cannot perform miracles. They have to ask more so as to be able to give as much as they are asked. I see, Mr. Speaker, that you are standing and that you want to interrupt me. I thank you. I still would have a lot to say but I want to give other members the opportunity to talk.

● (1410)

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I welcome this opportunity to respond in the debate on the motion introduced by the hon. member for Kingston and the Islands (Miss MacDonald) which directs itself to the provision of decent housing for Canadians at prices they can afford. So our objectives remain precisely the same and our programs support those objectives. Indeed, the total thrust of the housing program of the government is to provide decent housing at a price Canadians can afford.

We have come through a cycle when there was a lot of housing, when housing starts were at record levels but at prices people could not afford. They assumed the obligations in an inflationary period, but at last, my goodness, people have said that they have been paying too much and will not pay any more. They say that when interest rates rise too much, they will not pay those rates. The government has responded to that very positive reaction of people, which is essential if we are to deal with the inflationary spiral and the continuing escalation of need that we have been getting away with for so long.

The suggestion that the government is neither concerned nor aware is not dealing with the facts. As hon. members know, housing is a high priority with this government. The new legislation that was capable of bringing $1 billion of private sector money into the mortgage market was held up day after day and week after week by opposition members in the committee.

Some hon. Members: Shame!

Mr. Danson: I pleaded with the members of the committee to deal with the subject, not to get away from it and not to duck out from under it. I said I would sit 24 hours a day, seven days a week, all weekend if necessary, to deal with this legislation. That has been a cause of the delay which is unfortunate indeed, because in the meantime there has been a change in the money market which, as my hon. friend knows, has affected the flow of money into the mortgage market. But, again, our programs are directed at bringing those funds out, supplying more funds and subsidizing those rates so that Canadians can afford houses that are needed for people in the moderate and low-income groups especially, because they must have priority.

The fact that these programs are working so well seems to annoy some members of the opposition. I was quite surprised to receive some recent figures which indicate how well these programs are being received by the building industry and the lending institutions. The insured lendings in April were encouraging construction at a rate of over 4,000 units. If you translate this into an annual rate, it indicates an annual rate of some 60,000 units. In the same jargon, last year it was only 25,000 units. That does not really translate itself into the direct start figures we are talking about, but it does indicate that people in the industry recognize the value of NHA programs under CMHC and are not only prepared, but anxious to become qualified and to become insured under NHA legislation.

The remarkable success of AHOP, I know, is something which really gets under the skin of the opposition.

An hon. Member: There is too much red tape.

Mr. Danson: As of May 15, under the Assisted Home Ownership Program we committed $216 million for low-cost loans to families to enable them to buy their own homes. Another $84 million was being processed at that time, as of May 15. This means that we are very close to having committed our entire AHOP budget of $350 million. If that suggests red tape, I really do not know what we could have loaned out if there was not red tape.

The suggestion is that there are unrealistic regulations on income, on standards and on housing prices; unrealistic in the sense that the building industry said before that it could not build houses at these prices. They referred to the average, as did the hon. member for Winnipeg North (Mr. Orlikow), given by the real estate board in respect of the cost of houses. We are building for the average. A lot of builders were stuck with those so-called average prices. They said they could not build at those lower prices for the low income groups. What happened? Last year, when the program was started by my predecessor with $300 million and a further $150 million, or a total of $450 million, they found they could build for those income ranges, at those price ranges, although previously they never thought they could. The success this year is showing how great the reception is in that area.

● (1420)

Consider our accelerated rental program or the limited dividend program. I know that perhaps they are awkward for the rich developers in Alberta who want to build luxury housing.

Some hon. Members: Oh, oh!

An hon. Member: That is not true.

Mr. Baker (Grenville-Carleton): Don't play games with a serious subject.

[Mr. Lambert (Bellechasse).]

Mr. Danson: Our priority is the workingman, the average income man.

Some hon. Members: Hear, hear!

Mr. Danson: We offered $200 million at 8 per cent interest to builders who would create modest rental accommodation in agreement with CMHC, but people said, "No, that implies rent control; we don't want to go into those rental agreements". When we offered $200 million there was enough response for us to offer a further $200 million. There are proposals which are presently under review and which meet good standards of housing at rents people can afford.

In addition, private lenders are being urged into that area. Programs are set up under which 25 per cent of the units are to be made available to municipalities and provinces for low-income housing for people who even at those subsidized rates do not have sufficient income to pay for their shelter. In the past we have dealt with this under our public housing programs. They have been good programs. I admit that we made some mistakes, and we have learned from those mistakes. Less than a year ago when I first took on this portfolio, I was making speeches to municipalities and telling them, "You are showing the wrong attitude. You do not want public housing projects in your municipalities". I still question their motives in that respect and I think their concerns were rather narrow. Also, it was a reaction to programs from which we were learning and which were not the best, such as huge public housing projects in municipalities.

What we are attempting to do now is integrate people into the mainstream of society so that they are not isolated in public housing projects where social tensions and social stigmas exist, especially for children who grow up with a broader view of life when they can see their part in the total society and are not segmented in a welfare group.

I suggest we have made excellent progress. In our other programs for non-profit, co-operative housing we have committed another $28 million. All the housing funds under the direct control of CMHC will be committed before September of this year. We do not want to parcel it off bit by bit, but, rather, get it out there quickly. That is what we have been doing; we have been speeding up our rate of commitments month by month. I ask the provinces to get the money and spend it on building housing for people who need them and cannot afford them. Until April 10 we were committing funds at an average of $4 million a day. In the next month the rate increased to more than $6.5 million a day, and it is now at the rate of almost $10 million a day.

If that suggests slowness, lack of priorities or red tape, then something is wrong somewhere. To me it suggests a government that is concerned and a corporation that is doing its job under a president who knows more about building housing and developments in this country than anybody else; a man to whom we should be grateful because he has given up a career to come into the public service and serve his country; a man who cannot stand here in parliament to defend himself.

Some hon. Members: Hear, hear!

Mr. Danson: He is a man of great dedication and talent who is known to us all and of whom we are all proud.

Mr. Paproski: But he does not build houses for single families.

Mr. Danson: We are building relatively many more than just about any other country. The hon. member for Winnipeg North suggested I should go to Europe to see what they are doing there. I have been to Europe, and I am impressed. What they have done is great. But they look at us with envy. They look at the quality of our housing and our communities, and when they compare them with theirs they envy us indeed. I think we have a great deal to learn from some of their systems of land assembly and some of their systems for decentralizing population, but I am convinced more than ever that Canada takes second place to none in the quality and quantity of its housing. I do not take much pride in the fact that there are still pockets of terribly bad housing and poverty. This we cannot tolerate and I know the government is doing all in its power to overcome it.

So far as housing for senior citizens is concerned, we have built more housing for senior citizens in the life of this government than in all of our history. This indicates a priority and a commitment.

Some hon. Members: Hear, hear!

Mr. Danson: The matter of land assembly and sewage treatment was mentioned. It is a good point. We have committed $1 million a year to this program. Incidentally, we have yet to turn down a single application for sewage treatment plants in all of Canada. I hope this record can continue. I suggest that those provinces which buy up tracts of land without any wish to develop them in the foreseeable future, and then cry because they do not have money to service the land on which they will not build houses anyway, had better get their priorities straightened out. They should assemble sufficient land to be able to service it and bring it into the stream. The same provinces at a time such as this seem to have the money for doing those politically attractive things that governments are inclined to do in an election period. I do not think they should be spending that money in other ways and wanting us to tax people, giving them the money which they will spend perhaps just as loosely.

In that respect, some $300 million were allotted for provincially-initiated programs in 1975, including public housing, but less than $38 million of that has been taken up. What I am saying is that almost half the year has gone, yet they have used up less than 30 per cent of their allocation. This is not quite that simple. There are reasons for it. I agree with the hon. member who suggested that there is a need for forward planning. We are doing forward planning, and so is CMHC. Also, we are engaging in more liaison with the provinces, in more conversations—not confrontations, not great big shows before television cameras, but the type of consultations that we have on a regular basis with the provinces and conversations that I have with housing ministers.

We were trying to get together on Monday, as the hon. member suggested, because we could not meet on May 21 for reasons which one may speculate about; but it was not

totally convenient for everyone, anyway. I will be in touch with the hon. member in the first days of the week, although my staff was in touch with his office to try to evolve a date satisfactory to all of us. In the meantime, I saw the minister of housing for Newfoundland this week and I will see the minister of housing for Alberta on Monday. Within a week or so I will be seeing the housing ministers of Nova Scotia, Prince Edward Island and British Columbia. So there is a constant contact. This is the sort of thing that is important. I am referring to one-to-one discussion so as to really understand the problems and try to set down our priorities so that we can do the type of forward planning which the hon. member for Winnipeg North suggested is essential, with which I agree.

It is not easy under our budgetary system, but surely we must be able to plan sufficiently far in advance so that within certain parameters we can develop the same sort of priorities. I do not want to talk to those who will simply say, "Give us some money and we will do what we think is best". If they think that is best, they should have the courage to tax for it. They should also have the courage and honesty to admit that the programs we have in place are working.

As a result of these consultations, we took some $70 million from other funds to turn over to the provinces, funds from programs such as AHOP and the accelerated rental program. We are waiting for that money to be used. I telephone and plead with those ministers to use the funds in constructive programs. At the same time, we are running out of funds for AHOP and limited dividend housing. Here we made a mistake. We succumbed to those provincial housing ministers. For our future discussions, I think they recognize this. They admire the success of these programs and I think they will co-operate even further because we have learned much. Some of them are doing the job now and are working extremely well with the Minister of Finance (Mr. Turner) and I. We are in close consultation. He is certainly aware of the problem. He gives it very high priority and understands its importance, not only socially but also in the economy. He understands the urgency of the situation. So that our contact is close and warm and I am sure we will see results which will even warm the cockles of the hearts of the opposition.

● (1430)

Miss MacDonald: We will pray for you.

Mr. Danson: The hon. member for Winnipeg North spoke about interest rates. They are certainly disturbing to us also. That is the reason so much of our funding is going into the subsidization of rates for low-income families. I am not a great believer of subsidies in themselves, but it is best to be honest and to say what they are, and not give them some other name. They are taxpayers' dollars and they are being used constructively. The hon. member for Winnipeg North suggests that we are maintaining an artificially high rate and that under the AHOP program we are giving the money to the lender. The money goes to the purchaser of the home directly, in monthly payments. We try to maintain our loan rates close to the market, but at the low end because that is the only realistic way to look at it. It is no more an international commodity than capital and it flows in spite of borders. The world interest rate affects our interest rates.

There are, of course, many other factors. It is not a simple subject to debate, but we have put limits on the rates at which we will insure, because we are saying that above those rates people cannot take advantage of many of these programs and they will not receive the benefit of insured loans or insurance under the National Housing Act from CMHC if they are charged rates above what we think are fair market rates under existing conditions. Sometimes this changes rather frequently. Sometimes it changes by region, and with decentralization of CMHC regional managers of each province have considerable discretion to use judgment, which they use wisely, in determining the situation in their local markets.

The hon. member for Winnipeg North suggested that someone other than the private builder is going to build the houses. I am sure he spoke of this in regard to other countries. I have visited many other countries where the governments build houses. I do not think that is what Canadians want. I think there are better ways of doing it. We set the parameters; we set high standards; we do good planning. We have a long way to go on all those things, but we are doing much better than many other countries. They have to deliver according to those standards, at those price levels, and those income groups are the ones who have to do it. I fear the day when the government gets into building houses in this country. Because I fear it, I give tremendous emphasis to the area of third sector housing, the type of housing under our non-profit and co-operative housing programs. This is not government, it is not private sector developers, but it is people in groups or it can be other levels of government.

We are very much encouraged not only by the municipalities establishing non-profit housing units but also church groups, service groups and trade union groups who together have done an excellent job in establishing non-profit or co-operative corporations which we subsidize 100 per cent—or at least we lend at 100 per cent at low rates of interest.

Mr. Stanfield: At least you are honest.

Mr. Danson: I caught myself being dishonest. It was only a slip of the tongue, but I am associated with people who tell the truth, so I corrected myself very quickly. It is 100 per cent lending, 10 per cent forgiveness and up to $10,000 in start-up grants to help them get their corporations organized. In addition to that, we will give assistance and guidance, and in areas of very high land cost where the 10 per cent may not be enough to really help them, the federal government through Central Mortgage and Housing Corporation will purchase the land and lease it back to them at a nominal rent so that the rents will be at a level people can afford.

Through my colleague, the Minister of Veterans Affairs (Mr. MacDonald), the Department of Veterans Affairs is granted a further 10 per cent forgiveness in that sense to encourage veterans' groups. I think this is a very special thing. I do not know of any other nation in the world which has taken veterans through another generation where instead of the needs of the young, vigorous veteran with his war bride charging home from the battles and out

the frontiers to raise crops and babies, they are all a little tired now and their needs are changing. This is directed more to the needs of veterans today, and I think Legion branches and other veterans' groups across the country have extremely good programs of which to take advantage and under which to build housing designed for the needs of veterans today. This is in addition to assistance under AHOP.

The hon. member for Winnipeg North also expressed his concern about quality as opposed to quantity. I do not know that we oppose either. They are just separate elements in the whole housing equation. I share his interest and concern. This is, of course, the reason for our neighbourhood improvement program, for our residential rehabilitation program, and also for a great deal of study which is going into this whole area not only in third sector housing but in community development, new communities and inner-core development which is so terribly important in the hon. member's home city of Winnipeg and where we are working on a trilevel basis in an attempt to improve these elements. But there is still a great deal more we have to know. Statistics Canada is now engaged in a very comprehensive housing survey for CMHC, information from which will be coming on stream very soon and it will tell us much about the present housing needs, housing standards and future housing needs of Canadians.

Further to that, we have our demonstration and development programs which are designed to deal with settlement patterns in small communities, as I mentioned, in the inner city and in satellite communities. It is involved in technological innovation, the autonomous servicing of units, the recycling of waste, sewage and garbage—

Mr. Stanfield: Meat?

Mr. Danson: —in construction techniques and productivity, alternatives to housing, mixed uses of housing, new forms of housing and greater flexibility of planning and designing.

An hon. Member: And swimming pools?

Mr. Danson: With regard to design, my hon. friend referred to the competitions sponsored by CMHC in housing design. I do not have the precise answer at my finger tips relating to those which deal with low-income and multi-family housing, but the point is not only well made but is one which the corporation and I have been discussing. We saw excellent designs which won awards, but not enough directed at the area of housing into which we are putting our greatest concentration. The corporation recognizes that because it is involved in demonstration projects taking place right here in Ottawa to develop new standards, better quality housing and low cost housing.

One thing I did see on the trip to Europe was a kind of special allocation for families buying housing which was quite adequate. It was not up to our standards, but it was a standard I think most young families would be happy with if they could afford it. I think it is important to aim for something quite livable and affordable so that people can get a start in the housing market, whether it is ownership or rental. From there, I think we must consider what has been done in some of the countries to which my hon. friend referred, which I visited with officials of the corporation and the ministry, and develop their ideas also so that they meet our particular standards.

● (1440)

In some cases they had the right amount of space, but were built for different climatic conditions. In other cases they settled for density and a height that we would not find acceptable. In other countries there was housing which I think would be totally unacceptable to Canadians even though the planning aspects were good and the housing might have been a big improvement over what the people of those countries enjoy today. I do not think we should try to emulate that in this country, however. Nevertheless, there was that concern. We are addressing ourselves to the problem, and shall continue to do so. As the hon. member suggested, I would not mind spending the summer visiting those other countries to see their programs. I will see what my priorities are.

Mr. Stanfield: He asked you to spend the summer thinking about it.

Mr. Danson: The Leader of the Opposition (Mr. Stanfield) suggests I spend the summer thinking. That is not a bad idea. One of the most frustrating parts of this business is wondering if one's ideas get to the public. They might be looking around this House today at the empty seats, wondering where the members are. At least we know that these men and women are working, that they are out in the country and at committees. We do not have a chance to refresh ourselves and see the work we are doing, in perspective. Sometimes we react too much to the urgent, rather than the important, so any opportunity to get away and look at things in perspective is valuable. I accept that and I will try to do it this summer. As it happens, I think best in my boat with a fishing rod in my hand, rather than travelling around the country. If I can get a few days of that, I will come back refreshed and vigorous to do the other work.

The hon. member for Bellechasse (Mr. Lambert) raised a number of interesting points. I never cease to be amazed at his knowledge and interest in regard to housing. Indeed, sometimes it puts me to shame. I am not sure of the precise circumstances regarding the Neighbourhood Improvement Program for Montmagny, but I shall look into it. He also spoke about the problem of identifying these programs and getting sufficient information on them. He suggests that in Quebec things are of a different nature than in other parts of the country.

I think it is important in all parts of the country that these programs are recognized and the people know what the federal government is doing. This applies as much in western Canada where they are not blessed with as many Liberals as Quebec. It is not a matter of partisan politics in Quebec but it is a matter of something that everyone in this House is concerned about. We are concerned about the unity of this country, not only in constitutional terms but—I hate to use the word "spiritual" terms, but we are concerned that there is an understanding that the federal system is working.

It is certain that the work we do here is extremely important. Although we may argue about programs and the way they are implemented, I think we are all commit-

ted to all parts of this country. It is important that Canadians know and understand where their tax dollars are being spent, by whom and in what manner. As far as I am concerned, it is fundamental in this area of federal-provincial relations.

As I said before, I do not think we should be called members of parliament. We should be called trustees. We are elected, we collect taxes, spend the money and go back to the people at election time to give an account of the trusteeship. It is very easy for other levels of government to say they do not want to be bothered with the taxing job but just with spending the funds. I realize there are areas of co-operation, but it is not as simple as the problems of getting together and saying, "You do the taxing and we will do the spending". The parliamentary system as we know it would fail. As the hon. member for Bellechasse said, it is important that these programs be clearly articulated so that not only members of parliament know about them but that constituents also know. I commend the hon. member for Bellechasse for his concern. I am going to go into this rather thoroughly to make sure the information program is enhanced and that the corporation is enthusiastic about it as well.

Mr. Deputy Speaker: Order, please. Is the hon. member for Grenville-Carleton (Mr. Baker) rising for the purpose of asking a question?

Mr. Baker (Grenville-Carleton): I should like to ask one short question, Mr. Speaker.

Mr. Deputy Speaker: This can only be done with unanimous consent because the time of the minister has expired. Is there consent to allow a question by the hon. member for Grenville-Carleton?

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if the minister could tell us whether the meeting between himself and the provincial housing ministers which was not held on May 21 has been rescheduled? If not, is it his intention that it will be held before the budget?

Mr. Danson: Mr. Speaker, I hope so, but I do not decide this unilaterally; I discuss it with my colleagues. I shall be seeing most of the housing ministers separately. I want to speak to them personally within a period of a few hours to determine this. They might find, because of our meetings in the next few weeks, that we can resolve our problems. The provincial ministers now understand, as I am beginning to understand, that it is almost better to sit down one by one and deal with each province, than have all the other ministers sitting around the table listening to problems that are different from their own.

Mr. James Gillies (Don Valley): Mr. Speaker, one of the agonizing chores of a member of the opposition is to watch the government mismanage the country. One that is equally agonizing and almost worse is to listen to the type of explanation we have had from the minister about what is happening to housing in this country. Does the minister not know that there is a real housing crisis in this country? He has the gall to stand here this afternoon, when the vacancy rate in Toronto is less than 1 per cent for apartments, and housing starts in the country for the first three months of the year are the lowest since 1946, and make the speech he made this afternoon. How can he do that? He made a catalogue of those programs, and still we have the most disgraceful housing problem that we have ever seen in this country.

I do not get upset easily, but I am truly upset this afternoon. It is as if the minister did not know what is happening in housing. We are in a terrible mess with economic problems, as everybody knows, but does the minister not also know that housing starts are down by 100,000 from what we thought they would be? Does he not know that people are leaving Toronto because rents are increasing so rapidly? Does he not know what is happening to people in the country because no housing is being built for them? The minister has the nerve to stand up this afternoon and recite this catalogue of programs when nothing is happening. Let us be empirical about it. He can talk about these programs as long as he wants, but nothing is happening. Housing starts are down.

Mr. Danson: Ten million dollars a year!

Mr. Gillies: Mr. Speaker, I find that answer so distressing and so incredible. Does the minister not know what is happening to housing starts in this country? What is the good of talking about $10 million a year, or this or that or the other program? The programs are not working. Look at the evidence. The Houses are not there. Housing starts are not in evidence.

● (1450)

The hon. member for Winnipeg North (Mr. Orlikow) said he hopes the minister goes to Europe. I understand the minister hopes to go fishing. I wish he would stay here and help us get some houses built in this country. We have a more serious problem in housing than we have had at any time since the early days of the Second World War. Yet here we are, postponing meetings, fooling around and wondering when the budget is going to come down, talking about AHOP, and this and that and the other program, when the entire premise on which the housing policy is based is wrong. That Canada, with all its land resources and all its building material resources, should face a situation in which the number of housing starts in the first three months of 1975 was smaller than at any time since 1946, is incomprehensible. There is something desperately wrong, and that is why the minister's approach, of giving a catalogue of programs, is totally unacceptable.

Clearly, the premise on which we are basing our housing policy is totally wrong. Housing in this country has traditionally been used by the government as an anti-cyclical instrument. When the business cycle declines, we build houses. Interest rates fall, demand goes up, and starts increase. When the business cycle is on the upswing, interest rates rise, demand falls and we do not build houses. However, now the traditional pattern of the business cycle is not present. Because of poor economic policies we are now in a situation in which there is increasing inflation and rising unemployment at the same time. We can no longer see the same pattern that was evident between 1945 and 1970. Inflation should be lessening

because unemployment is rising, but that is not happening.

An hon. Member: Why?

Mr. Gillies: The hon. member can make his own speech. It is time we looked at our housing policies and stopped pretending they are working. The fact is that poor operation of our economy has created an economic structure in this country in which we have high unemployment and high inflation at the same time. Consequently, housing programs in this country cannot be initiated on the same basis that was used 20 years ago. It will not work. So using outdated, ineffectual programs makes no sense.

An hon. Member: They are not ineffectual.

Mr. Gillies: They are totally ineffectual.

An hon. Member: Is $450 million totally ineffectual?

Mr. Gillies: It is all very well to talk about $450 million. The fact is, the government's programs do not build houses. Housing starts are off by 100,000 units.

An hon. Member: What's a few houses?

Mr. Gillies: The hon. member asks, "What's a few houses?" It is all right for members representing rural areas to say that. But how can you say that when you live in a city, when you represent urban people? Young people have always thought in Canada that they will have the opportunity to own their own home. Apparently that is not now the case. The point is, you cannot kid yourselves. The Quebec government kidded itself for a long time about its labour difficulties. You can kid yourself about a lot of things: the day of reckoning comes, and the day of reckoning in housing is here. All you have to do is look at the evidence. We shall never solve our housing difficulties with the sort of approach the minister demonstrated this afternoon. His approach is based on a view of the economy which is no longer valid.

I disagree entirely with the hon. member for Winnipeg North who said we need more government programs. The truth is that the more government programs there are, the fewer houses are built. We have so much government involvement in this area that the industry is not working effectively. As things now stand, there is little hope that conditions will improve.

What the minister said this afternoon disappointed me greatly. I thought this was a lovely Friday afternoon until I heard his speech. I came here thinking we would be finding some solutions to this problem, that we would find a way out. You cannot embark on the type of programs the minister talked about, in the general economic climate of this country. It cannot be done.

If you want housing to be built in this country, and I know this is a complicated and difficult problem, you must find some way to encourage the flow of mortgage funds into the market at rates people can afford, so that they can service the debt. People have to have houses. Canadians must be given the opportunity to buy homes of their own. They cannot do it at current prices and current mortgage rates, and you cannot bring prices down until you control inflation. You must find some way to bring mortgage rates down.

An hon. Member: What's your solution?

Mr. Gillies: I came here this afternoon to hear the answers to housing problems. But what do we find? Not only do we not hear the answers, but we note that the minister does not even recognize the problems; does not see that the premises underlying the economy have changed. Still he has the gall to ask the opposition, "What should we do"? For heaven's sake, I thought the government was elected to show leadership in this country. We are witnessing the biggest decline in housing starts in 20 years.

A few years ago the Economic Council of Canada said in its annual report that Canada needs 250,000 housing units per year in order to keep up with the family formation. This year we are going to build 165,000 units. This will be the worst year in recent history. The minister has a total obligation to the people of this country to reverse this situation. I suggest that he and his departmental officials should reconsider their approach to the field of housing.

We may need to institute a program under which a certain proportion of savings deposited in savings institutions is put into the mortgage market. I have never understood why the government did not establish long ago a central mortgage bank. We may need to establish building societies or savings and loan associations which will invest their moneys in mortgages. We may need to subsidize interest rates. One may not like such programs, but we may need them. We may need to reconsider our tax structure and provide some sort of exemption on moneys lent for mortgages in order to encourage more mortgage money into the mortgage market.

As the minister knows, people cannot compete for mortgage funds, not because they are not willing to pay the rates but because they cannot qualify for the loans. We must bring mortgage interest rates down. We cannot ask individual Canadians to compete for mortgages in times of inflation, when the policy of the government has been to keep interest rates high. You cannot expect people to compete in the housing market in those circumstances. They cannot. They cannot compete with General Motors for investment funds. The government must realize this and provide people with some sort of protection in the market, if it believes that houses should be built in this country. That is the only way it can be done.

The government must bring down the cost of home ownership. Why not provide tax relief on mortgage interest rates over 8 per cent?

● (1500)

Why have taxes? Why not be allowed to deduct your real property taxes in the calculation of your federal income tax in order to make home ownership easier? Why not be able to get these sorts of things going that will really go after the fundamental problem, namely, the cost of mortgage money?

The only way housing prices are going to fall is by increasing the supply. Somehow we have to get the supply

higher than the demand. Prices will then start to drop. People will once again be able to afford housing.

I totally refuse to accept the proposition that in a country like Canada the average young family can never hope to have a home of their own. That is wrong. They ought to be able to buy a home of their own. They could in this country up until the past four or five years. If people were willing to save and borrow some money, they could get a home of their own. Today they cannot.

I have spoken before about the uncertainty that people are feeling at the present time. Why wouldn't they? The value system they have known is being destroyed. It was a fundamental principle in this country that if you wanted to work hard, you could get a house. Ask those in the urban communities today, those under 30 in the middle income group, if they have any hope of acquiring a house. They do not, and they know it. They are distressed about the situation. They should not have to be in such a predicament.

For the minister even to suggest that we have any sort of success in housing today is a total misunderstanding of what the Canadian people feel. It is a total misunderstanding of the facts. I just cannot understand how he could stand up and make a speech like he made this afternoon. The people of this country want more than that.

The hon. member for Grenville-Carleton (Mr. Baker) asked when the minister is going to get the provincial ministers together. You have to do a great deal more than that. You will have to be in Ottawa within the next two or three weeks with the ministers from the various provinces and the leading lenders and builders in this country. You should all get together in a room and not come out until you have solved some of the problems. You cannot expect the Canadian people to put up with this sort of situation.

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member, but he must remember that he is to address the Chair and not the minister.

Mr. Gillies: I apologize, Madam Speaker, but I am very exercised about this particular matter. I thought Your Honour was rising to say I was running out of time.

An hon. Member: Out of ideas.

Mr. Gillies: I am not running out of ideas. I have put forth the fundamental reason this afternoon why housing programs are failing. It is because they are predicated and planned to operate in an economic situation where you have a trade-off between inflation and employment, a trade-off which we do not have any more. For that reason the present approaches will not work.

I again suggest, as I did a few moments ago, that the minister should not be thinking of going to Europe or anywhere else. He should stay in Ottawa, have the provincial ministers here as well as the municipal leaders, and the lenders and builders to turn this situation around so that the people of Canada once again may have housing.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Madam Speaker, first I would like to thank the hon. member for Kingston and the Islands (Miss MacDonald), even if she has left the House, for her motion this afternoon because she gives us the opportunity as Canadians to examine for a few hours one of the issues which, for the past few months, has been a concern not only of federal politicians, municipal officials and provincial politicians, but also of all the taxpayers, whatever their means and their interest is in housing.

Indeed, Madam Speaker, I was amazed to note the emphasis placed by the hon. members for Kingston and the Islands and Don Valley (Mr. Gillies) on new housing starts.

Like the hon. member for Don Valley, Madam Speaker, I live in an urban constituency where unfortunately the proportion of owners is very low. In fact, 90 per cent of the people in the federal constituency of Maisonneuve-Rosemont live in rented accommodations. Moreover, 10 per cent of the owners live outside this constituency so that the housing problem in this area is completely different from the described by the previous speakers. The average income of the residents, Madam Speaker, is around $7,000 to $8,000 a year. It is therefore very obvious that some Canadians, whatever the interest rates, whatever the grants given by the government for the purchase of a home, cannot consider owning their own home.

However, Madam Speaker, we must not think that every Canadian citizen wants to have his own home. When people want to live in the core of cities, when people want to live in a high-density urban centre, it is obvious that the land cannot be divided so that every citizen can have his own home.

This is why, Madam Speaker, I was rather amazed to note during the first part of this debate that the emphasis was placed essentially on the purchase of a new property instead of on the renovation and restoration of existing homes.

Like the hon. members who have preceded me, Madam Speaker, I have tried to determine what factors may have influenced that decrease in the number of housing starts. Of course, interest rates would seem to be one of the main reasons for the reluctance of builders to start new housing development programs. But one must also realize, Madam Speaker, that interest rates are not the only factor.

Indeed, we must not either reach the conclusion that construction investment funds have suddenly and completely disappeared. For instance, I noticed that in September of 1974, in metropolitan Montreal alone, over $5 billion were spent on construction. Of those $5 billion, only $138 million were invested in housing projects. Where did those other billions and millions go, if they were not invested in the construction of family dwellings? They went into the construction of office buildings, to the tune of $200 million, into the construction of hospitals, nursing homes, and shopping centres, to that of $300 million, and into the construction of major road construction projects, highways, plants and manufactures for still another $400 million.

We realize, Madam Speaker, that under present economic circumstances, investors and promoters have lost interest in housing and turned instead to concentrate their efforts in the field of commercial and institutional build-

ing. That is one factor the hon. members who spoke before me did not bring out.

To my mind, it is one of those factors which must be taken into account if we really want to see the construction industry as it really is because, Madam Speaker, housing is not an abstract idea. Housing is based on the construction industry which is a very lucrative industry; and it is profits the investors, the promoters are concerned with at this time. So I believe more attention should be given to that first factor.

● (1510)

The second factor I want to emphasize this afternoon is the advent of a new form of participation in urban life by tenants and owners. Formely, people used to buy a house and live isolated and individually in their family home. Nowadays it is entirely different. Owners as well as tenants associations have been established, and they make, and rightly so, claims and requests of all kinds which are often justified but which investors and promoters obviously view as one of the new factors to be considered when they decide to invest large amounts in housing. They face complaints and claims that they must meet, and a number of those promoters would rather invest in commercial or institutional building where those factors of participation by the people do not exist.

One must also consider another factor, Madam Speaker, and that is rent control. Formerly, investors could depend on free enterprise on the housing market. They did not have to concern themselves with complaints or with government interference in setting rents. Nowadays, an investor or a promoter who invests millions in projects must also consider that in a few years, in five or ten years, the municipal or provincial government may decide to freeze rents which would decrease his profits, whereas in other fields, as I said a while ago, in shopping centres for instance, there is no such fear.

Those are so many factors which cropped up again in the building industry and must be considered when the number of housing starts shows a decrease. It is utopian to believe that a mere increase or decrease in the rates of interest will immediately bring about the spectacular result of 100 housing starts. I do not think, Madam Speaker, that the situation can be cleared up when emphasis is put only on that one factor.

There is also another element, Madam Speaker, and I am surprised the hon. member for Don Valley (Mr. Gillies) who is an economist did not mention it—and that is productivity. The construction industry in certain areas of this country—and I am thinking of the province of Quebec in particular—has registered a considerable drop in productivity in the past year. Indeed, the latest reports released by the Quebec Minister of Industry and Commerce show that productivity in the construction industry dropped by 45 per cent.

You know of course, Madam Speaker, that this past week the Quebec National Assembly passed two special pieces of legislation—Bill 29 and Bill 30. The purpose of those two bills is to restore order in the construction industry. Madam Speaker, nobody in the province of Quebec is glad about construction unions being put under trusteeship. I think, Madam Speaker, that when a situation arises where a municipality, a union must be put under trusteeship, it is because the situation is serious enough. And such a step necessarily has the effect of limiting freedom. I think, Madam Speaker, there is not a member in this House who subscribes to a social system where the possibility must be considered that eventually all of our institutions would successively be placed under trusteeship.

I read in the *New York Times* last week that the city of New York was soon to go bankrupt and that eventually it would be placed under trusteeship by the U.S. Government.

I am not glad, Madam Speaker, that municipalities in this country should be placed under trusteeship. When a population can no longer face their representatives, when construction union members can no longer face their representatives, they are in the same situation as when the residents of a city are forced to ask their provincial government to put their municipal administration under trusteeship. Any trusteeship, Madam Speaker, amounts to a restriction of liberties, and I do not think that this government or opposition parties include massive trusteeship as a major item in their election programs.

Madam Speaker, I think the construction industry in Quebec in recent years went through an extremely difficult period. One only has to review various projects financed by the Central Mortgage and Housing Corporation to see that every month one of those projects went bankrupt either because a contractor gave up his project or because after a few months of work certain elements in the construction showed considerable defects.

I need not mention here these projects: they are well known of most hon. members. But why can tenants and owners no longer trust developers and contractors? Why have we reached, all of a sudden a point where developers no longer want to get involved with the construction industry? It has become an explosive sector, where it is not possible to foresee any more how long it will be before projects and buildings are likely to fall apart, so that prospective buyers can no longer consider them a safe investment.

I feel that one of the key factors of the 100,000 housing starts which, as was clamoured a while ago, are dangerously lacking in this country would be the cleaning up of the building industry. I insisted on the reduced productivity of the building industry in Quebec. I am not deceiving myself, I am not implying that in Vancouver, Toronto, Halifax or St. John, the housing industry is experiencing high productivity rates. The construction industry in Canada is now in a disastrous situation. I believe our responsibility as a government must be shared both with provincial authorities and developers themselves. I am amazed that opposition members, on this opposition day, did not see fit to draw the government's attention to that factor.

I can assure the House that at least all Quebec members, when in these last weeks they met with representatives of the building industry, of CHMC and the Minister of State for Urban Affairs (Mr. Danson), were extremely concerned with the situation. They are concerned because the freedom of trade unions is one of the basic rights in this country, and personally I consider it much more important

than the purchase of a house. Buying a house is buying physical materials. The freedom of trade unions is the climate in which the work is done. I think that housing starts are a priority, but first trade unions must be given back their freedom. As I said, I am amazed that hon. members opposite neglected to mention that fact.

It should be stated clearly over the next few hours, that productivity in the construction industry has declined, that some building trade unions are now under trusteeship, and that someone must be responsible for restoring stability in the building industry. It is not only a question of dollars, as the hon. member for Don Valley would have us believe. Housing starts are not automatic.

Housing starts are not vending machines where one only has to deposit 10 or 15 cents to get a chocolate bar or a cup of coffee. Housing starts occur in the context of a social climate within a society. And it is in such a context that the Minister of State for Urban Affairs met with the mayor of Montreal in March to review one of the most, and possibly the most important program in the urban areas of the country. This program is designed to preserve the present housing stock. It is all very well to start building new houses for families earning $7,000 to $8,000 per year. It's utopian to think that all Canadians will one day be able to purchase a house of their own. This is an aim supported by members of the government as well as of the opposition. But it is not the only one: our other aim in the field of housing must be in the social field, namely to preserve existing housing units.

When I stroll in Toronto, Vancouver or Montreal and see all those abandoned houses, I am surprised that it does not create a scandal. It is scandalous to think that all the money invested in infrastructure, sewers, water system, schools and hospitals in those areas are now used at less than 50 or 60 per cent capacity because half the district is progressively being abandoned and houses are empty.

A dynamic policy, Madam Speaker, is a policy aimed primarily at the conservation of the housing stock. And when the mayor of Montreal and the Minister of State for Urban affairs saw fit to increase to 50 per cent the cost of rehabilitating a housing unit, they had this purpose in mind, the social aspect of the housing policy that must be given priority at this time. When Canadians hesitate to reinvest in the housing industry, we must first protect those who are more subject to market fluctuations, who cannot reinvest, who have dependants live on a fixed income.

● (1520)

Madam Speaker, those are the aspects of the debate I would have expected to be discussed today by members of the opposition. I am not saying that others will not point them out when they take part in the debate later on; on the contrary, I hope they will do so. It is one of the essential factors, as I said a moment ago. But to have the country believe that suddenly 100,000 housing units can be started merely by lowering the interest rate is nothing but eyewash, because at least half the urban lands are already built up, and the concern we must show to preserve the social fabric of these cities is another factor, another objective that we must keep in mind.

[Mr. Joyal.]

I do not believe that generally speaking, Canadians all dream of living in the suburbs. We all know the inconveniences of suburbia as well as its advantages. As a government, we must give the people a choice. We must allow every Canadian to choose adequate housing within his means. That is the true objective. It is not only to have housing starts.

Madam Speaker, in the time remaining before we adjourn, we must raise more questions about those aspects of the operation of the Central Mortgage and Housing Corporation. Why, for instance, does the Corporation not have a program to compensate tenants and owners against bankruptcy and shady promoters? Why do we not have an insurance scheme that would force developers, builders, tenants, owners and the government to protect themselves against the bankruptcy of those building swindlers? That is a positive thought, Madam Speaker.

Why for instance should we not review within the Central Mortgage and Housing Corporation our warranty procedure, the inquiries made when a developer applies for a loan? Why should we not review those procedures? That is where lies the real failure. It is not by thinking of reducing the interest rate that all of a sudden the building industry will stabilize itself, promoters will become honest and all Canadians will live in single-family suburban homes. We should not centre our attention on that single aspect. I think there are sufficient elements in this debate for our discussion this afternoon to bear fruit.

Madam Speaker, as I said before, I live in and represent a constituency in which 90 per cent of the citizens are tenants and 70 per cent live in houses build 50 or 60 years ago. What can I tell them when I go back there and meet them? "The government has a housing start program to help you buy $32,000 homes". Madam Speaker, that is not good enough. That is not what they expect of me. What they want me to tell them is that I can prove that there is a form of assistance available to maintain their housing and their urban environment and keep them from deteriorating. That is what they want. They do not want to think that eventually the situation will improve so easily that everybody can move to the suburbs.

When I visit the suburbs of Toronto, Montreal or Vancouver, I do not believe, Madam Speaker, that the aim of a social policy is basically to have everybody live in the suburbs. Opposition members suggested that the minister visit some European cities where new programs may have been implemented. Madam Speaker, one should visit the Paris or London suburbs to realize how little people wish to live in large urban centres where individualism, demythologization and loss of identity are the primary reasons or symptoms of those who move to those suburbs.

If we are to draw positive conclusions from this debate, I think those are the factors we should dwell upon. I do not think the housing situation has reached the point where it is a topic to be raised every second or third month. Instead, I would prefer that opposition members consider all the programs which come under the Ministry of State for Urban Affairs and analyze them. They are not perfect. I for one, Madam Speaker, could criticize at length any of those programs. One only has to look at them, to see how they actually work, and finally make suggestions to the minister. He is always available, always willing to

meet with his colleagues and urge them to act. I was really shocked when I heard the hon. member for Kingston and the Islands say that the Prime Minister should pick a Minister of State for Urban Affairs with more influence on his colleagues. What a laugh, Madam Speaker! Since the Ministry of Urban Affairs was created, the present minister is probably one of those most aware of the social aspects I mentioned earlier. And this is true, regardless of the succeeding Liberal ministers who were Ministers of State for Urban Affairs. I do not wish to pass judgment on their administration. The factors I underlined a while ago were unknown generally at that time to both sides of the House. But now that the facts are laid down on the table, that they are being discussed, I suggest that it will take a man like the minister to assure Canadians that the social aspect of housing, the stability within the building industry, and union freedom within the building industry, are so many objectives of the government policy.

Madam Speaker, hon. members who will rise after me this afternoon will hopefully deal with these factors, and I am always at their as well as the minister's disposal to help improve these programs. Such is our function as parliamentarians. It consists really in reviewing those programs, Madam Speaker, and not only use them as smoke screens.

It is quite easy to set 265,000 housing units as a target, with the present total of 165,000, it means a total deficit of 100,000 housing units. One need not be a great economist to figure that out, Madam Speaker, as did the hon. member for Don Valley.

As for me, I am an economist, and it was not the main mathematical operation I effected to analyze the building industry. It is a complex industry, an industry that benefits or suffers from all the trends of the economy.

I am not any happier, Madam Speaker, when the policy of the government merely consists in regulating the economic machine by injecting more money into the building industry.

As I said previously, government reports have shown this to be true. The Dennis-Fisch report, Madam Speaker, clearly demonstrated that the government's objective must be 40,000 housing starts for people with low or moderate incomes. That is one of the objectives, Madam Speaker, and it cannot readily be achieved by mathematical operations.

I hope, Madam Speaker, that in the next minutes, other members will also be able to insist on such aspects and show the government where the failures really lie, where interventions are really needed, and not simply state in a general way that 100,000 more housing units are needed.

[*English*]

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, rising to take part in this debate today I am reminded of the numerous warnings that my leader and other members of this party have given to the government over the last two years concerning the problem that is facing Canada in the housing field. Specific warnings were given to the government to the effect that if strong actions were not taken to stimulate activity in the housing field, there would be a serious decline in housing starts and a further increase in the already skyrocketing cost of accommodation, as well as a deepening of the crisis situation which we find ourselves involved in throughout the country today.

All of our warnings apparently were ignored, our suggestions were laughed at and shouted down, and the government continued on its way denying that any crisis existed, hiding its head in the proverbial sand with respect to the possibility of a decline in housing starts. On many occasions the minister said, "We care", and then said, "Look at what we are doing". This was characteristic of his address to the House this afternoon. He cited the various programs his department is engaged in—AHOP, RHOP and so on. But in spite of the minister's optimism and his pride in all the various programs that have been enunciated, housing starts are still declining.

I should like to refer to a news release from the Central Mortgage and Housing Corporation dated April 8, 1975, which reads, in part:

> Housing starts during March were at a seasonally-adjusted rate of 138,000 for all areas of Canada, according to preliminary figures. Actual starts during the month in urban areas were 6,165, a decline of 54 per cent from the 13,291 recorded for the same month a year ago. Urban starts in the first quarter of 1975 totalled 18,271, a decline of 49 per cent from the 35,826 in the first quarter of 1974.

I should like to make a few remarks about the housing situation, not from the viewpoint of the housing itself—though I realize that this is reaching a crisis point—but from the point of view of the impact that it has on the related industries in my own province of British Columbia.

● (1530)

At the outset let me say that the situation in the province is critical. Part of the reason is that British Columbia has the highest population growth in Canada. If you couple this with the drastic decline in housing starts over the last year you can see the impact this has on the residents of British Columbia. In 1974, for example, the population rose to 2.4 million people, a gain of 3.5 per cent over one year earlier. This represents more than twice the average increase for Canada as a whole. It was the highest percentage gain since 1967 and the largest absolute increase during the past decade. When we look at the situation from that point of view we can see just how seriously the economy of British Columbia and, on a wider sphere, the economy of Canada, are affected by the situation existing in the housing field today.

With the great influx of residents to British Columbia from all parts of Canada and the decline in housing starts I am sure it is evident to all what a tremendous pressure there is on the housing industry in respect of the current situation in British Columbia where we have a nil vacancy rate with an ever-increasing population demand.

As an indication of how important the forest, logging and lumber industries are to British Columbia let me put a few facts on the record. British Columbia contains less than 2 per cent of the country's forest area but, at the same, it supplies about 25 per cent of the wood cut in Canada. Forest industries accounted for approximately 20 per cent, or one-fifth of all Canadian exports in 1972. In the Canadian output in the logging sector about 47 per cent of the total production comes from British Columbia.

British Columbia accounts for most of the soft wood plywood made in Canada. Let me relate a few of these facts to the declining housing starts to show the impact the housing crisis has on this very important industry. I should like to refer to the B.C. Summary of Economic Activity 1974.

B.C.'s forest industry experienced a serious decline in the lumber component during 1974 after having enjoyed three successive years of expanding markets and good prices. Demand instability for wood products began in the first quarter of 1974 and price reductions became evident near the end of the second quarter. The reduced demand for lumber and plywood necessitated some cutbacks and lay-offs in the wood products sector during the last quarter. What was the reason given for the drastic decline in the lumber component in 1974? The major reason given is the decline in housing starts.

The summary goes on to say:

> It is anticipated that no significant improvement in market conditions can be expected until mid 1975 even if dramatic measures are taken immediately to get housing construction back on an upward trend.

I should like to draw attention to the serious and drastic situation that will develop in view of the fact that there is a continuing decline in housing starts in Canada. The quantity of lumber scaled in British Columbia declined in 1974 by 21 per cent from the previous year, again due to the weakened housing market.

I could go on to deal with the various aspects of the lumber industry in British Columbia, to point out in an additional manner the way in which the drastic housing situation is affecting this province, but because of the shortage of time and because other members wish to speak I will delete some of the issues and shorten some of the others I had intended to cover rather fully.

British Columbia is a province that has been able to manage its forest products to provide employment for its citizens through the extraction sector as well as the related manufacturing and processing sector. But this industry which, as I have tried to point out, is so vital to British Columbia is also very dependent on the residential construction industry in Canada. The past year has been an extremely difficult one because of the inept policies followed by the federal government.

I do not know how many times I have heard the minister and other members of the government state that Canadians are well housed. This has been said on a number of occasions. I believe it would take more than the flowery words of the minister in charge of housing, or of any of his supporters on the other side of the House, to convince us that that is the case, because wherever one travels in this country one finds serious housing situations that are developing and which have developed not only in one category but across the board.

I believe it is time the government paid attention to this matter, and instead of doing so much talking took some action, because no matter how many statements are made and how many programs are in effect this does not mean that the problem is being effectively tackled. There is a vast difference between intentions and actual performance. I am sure we have all heard the statement that the road to hell is paved with good intentions, and not only the road to hell but the road to some far more desirable objectives is paved with good intentions. I do not question the intentions of the minister or his desire to meet the needs in the housing field, but I do question, as do other members of our party, the actual performance of the minister in carrying to fruition the plan he has announced so many times in this House.

I see that time is rapidly passing by. I should like to point out some of the obstacles in the way of an adequate and effective program to achieve the goal of decent housing at reasonable cost for Canadians. I shall cover these rather quickly. I think we start with the fundamental problem of inflation.

Throughout the budget debates over the past several years the Minister of Finance (Mr. Turner) indicated time and time again that the major thrust of his budgets was to combat two problems, unemployment and inflation. But we find that the more often he emphasizes this the less progress is made in meeting the challenge and the need to solve the inflationary problem. I believe the government has reached the point at which it has just given up on this proposition.

Despite the fact that during the past few months the government has been carrying on consensus discussions it has not been able to record one single shred of evidence to indicate it is being successful in its consensus program in order to meet the problem of inflation. So I say I believe the government has given up. Perhaps that is one reason for the delay in bringing in the budget as has been announced. The reason given is that the Prime Minister (Mr. Trudeau) will be away. How much longer is Canada to be last on the list of priorities? So many times when there has been a debate in this House on a very important issue the Prime Minister has had to be away when he should have been in this House presenting propositions, meeting the challenges of the opposition, and answering questions.

Instead of being here the Prime Minister opts for something else. During the last several months, and over two or three years this pattern I have mentioned has been emerging. I believe it is time that the Prime Minister and other ministers got down to the business of administering their particular departments in a way that will not only give them direction but also indicate to the people of the country that they are actually doing something worthwhile for the benefit of the nation.

The second obstacle is the high and increasing interest rates. It is not necessary for me to go into this because it has been discussed quite fully in the debate thus far. I would point out, however, that in spite of the fact that there has been so much emphasis on interest rates continuing to rise, the government has taken absolutely no steps to ensure that people will be able to obtain mortgage money in order to build their own homes. There is no tax relief insofar as this is concerned.

Suggestions have been made concerning how the interest rate above a certain percentage should be tax deductible. But the government has consistently refused to accept the proposition. I believe that this is one area in which a real contribution could be made on behalf of those who are earnestly endeavouring to secure adequate housing.

● (1540)

There is no relief in the area of taxation. The minister laughed at the idea of bureaucratic red tape, but I suggest that bureaucratic red tape at various levels of government and in various agencies has discouraged both developers and individual prospective homeowners. There are restrictions upon restrictions, regulations are compounded until the procedures appear so complicated and are so time consuming that many say it is not worth it and give up in disgust and despair.

The cost and shortage of available land in British Columbia is making it impossible to construct housing. It is hard for citizens to secure adequate accommodation either through purchase or rent to house themselves and their families.

There are restrictions on federal programs. I want to read into the record a section from a letter I received. I spoke about the minister's statement that red tape does not cause any problem. Let me read from a letter which I received regarding an application that was made, in which it is stated that not only were these people discouraged from proceeding with that type of development, but subsequently they were denied approval by CMHC although the municipality was favourable and receptive to the overall development.

The minister can be overwhelmed by the exuberance of his verbosity, but that will not solve the problem nor will it meet this particular situation where the restrictions and the red tape surrounding the operations of CMHC and other programs are such that people are getting tired, and are giving up because of the confusion that is caused and the time that is consumed in trying to get programs through. I could go into all the details of some of the restrictions, but I will not because they have been described at other times.

The ceiling on available mortgages is too low on a regional basis, and in some cases the divisions between the regions are so arbitrary as to be—I was going to say stupid but I have been told I should not use that word—ridiculous. They are completely out of line. I believe CMHC should look at this matter and ensure that the ceilings are adequate to meet the needs of the areas. For instance, a young couple were trying to build their house in Winnipeg. I believe that the ceiling at that time was raised a little to about $33,000. A lot was being leased from an organization and CMHC insisted on placing a value on that lot of $15,000 and then expecting the couple to go ahead and build a house under the ceiling of $33,000. I say that this is true all across the country.

Another difficulty is that CMHC insists on a fixed rate rather than a floating rate. There is another letter which I received from which I would like to read. It is stated in it that trust companies and banks are experiencing difficulty in getting insured loans through CMHC because of the fact that they do not accept a floating take out rate; they want a firm rate.

These are all restrictions that are hindering the realization of the objective of having suitable housing for all the citizens of Canada. To cap it all, the minister says that he has been pouring money into this program. It seems that he has been pouring that money without limit, according to him. Yet the fact remains that developers and individuals are finding it absolutely impossible to get money today.

Some hon. Members: Hear, hear!

Mr. Patterson: I did state that I would not charge the minister with lack of sympathy or sympathetic consideration, but I certainly question the statements he has made. Most of what he said is just talk, and there is not too much effective action in dealing with the serious problems facing Canada.

Mrs. Ursula Appolloni (York South): Madam Speaker, there is a story that goes around about a number of multi-national students who were asked to write an essay on the general theme of an elephant. The British students decided to write about the elephant in its role as a vehicle of transportation in the British Empire. The French students decided to write about the elephant and its sex life. The students from the United States decided to write about the elephant and its market value. But when it came to the Canadian student, he entitled his essay "The elephant—is it a matter of federal, provincial or municipal responsibility?" I suggest that perhaps the same thing could well apply to housing.

I notice the hon. member for Kingston and the Islands (Miss MacDonald) in speaking to her motion referred in particular to access to decent housing at prices that Canadian people can afford today. The hon. member knows better than I do that a large part of the cost of housing is in the price of serviced land. In speaking about Ontario I will refer in particular to Toronto because it is the city I know best. The average price of a fully serviced single family lot in Toronto is $20,211. What are we going to do about that? When we ask our provincial government, we find that on May 15, 1975, Bill 125 was finally passed. That is a bill dealing with land speculation. It was made retroactive to April 9, 1974.

We all know the political hue of the Ontario government which has projected a revenue of $25 million, but so far it has only received less than $1 million. I wonder what happened. On checking, we found that there is something known as ministerial discretion. The minister in Ontario is very anxious not to "create hardship," and therefore he uses his discretion in pointing out who is a land speculator. What is the definition of a land speculator?

We find also that his department accepts affidavits as to the worth of land. It is terribly touching and heart warming to find the Conservatives so sweet and trusting. They have no knowledge of the exact value of the land; they accept affidavits.

We then go on to the purchase of land by the provincial government. That in itself is a very good thing; I am not knocking it, but I believe the provincial government of Ontario is irresponsible in its purchase of land for housing.

In south Milton, just outside Toronto, three corporations—Cedar Heights Construction Limited, Lorring Developments and Bonny Don Corporation—all having the same president, purchased seven parcels of land from farmers in February of 1975, and one month later sold them to the provincial government for a profit of approxi-

mately $1 million. Of course we do not call that speculation, Madam Speaker! I am not sure what we do call it.

The biggest single threat to the acquisition of land in Ontario is the actions of the provincial government in this regard. As I said, we do not object to the acquisition of land but rather to the way in which the provincial government goes about it. It could possibly be the biggest land speculator going, and perhaps that is why it refuses to define the word "speculation" in the land speculation bill. I will give another example. Cedar Heights purchased one parcel of land for $379,095 and sold it to the provincial government for $579,095. That is a profit of $200,000. Are we talking about conscience, speculation, or what?

● (1550)

Then we come to the municipal level. In my riding there are people who are exceptionally handy. They can do wonders in the renovation and repair of houses. I believe that because of the high price of serviced lots we at the federal level should give some tax incentive for this kind of thing. Not only would it help people improve their present housing, especially the elderly, if they could afford to improve their housing, it would in many cases avoid their being shunted into senior citizens homes where they do not want to go anyway.

I hope the Minister of Finance (Mr. Turner) will consider that in his coming budget. Not only would it help housing but it would also help housing related industries. However, I find that in my own borough of York money from the home renewal program which was given to the borough about five months ago has not yet been used. Why not? It could be that I come from a borough where officials are almost paranoiac about two families living in one building, but in my riding it is the culture of the people to want to live together. I am not talking about overcrowding; I am talking about adding one extra room to a house so that another part of a family could fit in. Instead, we have something similar to paranoia.

We have officials who, not unlike McCarthy looking for communists, are looking for an extra kitchen, an extra bathroom or an extra bedroom. I agree with my leader. I think the state and the borough should keep out of the bedrooms of citizens. However, because of that, people in my riding are being refused money on the grounds that instead of asking for loans to repair their dwellings, they want to install extra bathrooms and build additions.

What is wrong with an extra bathroom or building an addition which could house another part of the family? My borough will not allow that.

I have listened to many speakers from the opposition today. Frankly, I welcome criticism when it is constructive, but having listened to some of the comments today, I must admit that many of the speakers sound a little bit like sour music critics who are themselves really only frustrated tenors.

Some hon. Members: Hear, hear!

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, this is indeed an important debate because we are dealing with the problem of housing in Canada, which is a crisis. It is a crisis which can be laid directly on the doorstep of the Liberal government. We have housing programs built on crumbling foundations, and supervised by a minister whose blueprint for aiding low and middle income Canadians is totally inadequate.

I would like very briefly to outline the nature of this crisis and to make some constructive proposals to combat this growing problem. The first thing we must recognize—and I think the government has not taken it seriously—is the escalation of housing costs. I will give but a few examples. In Toronto in 1972 the average house cost $31,357. In 1974 that same house sold for $46,210, or a 50 per cent increase in two years. That kind of escalation cannot be tolerated by a government if it is serious about the housing needs of Canadians. Yet we see the price of houses today continuing to rise. In 1975 the average price of a house in the province of Ontario is $48,836, a price beyond the capability of most Ontarians to afford. So the first aspect of the housing crisis is that costs are just out of all proportion.

The second aspect of the housing crisis is the escalation in mortgage rates. It was not so long ago that mortgage rates in this country were fixed at 6 per cent. Then the government removed the upper limit and allowed the mortgage rate to float. It soon rose to 8 per cent, 9 per cent and 10 per cent. Today under the National Housing Act there is a rate of 11¼ per cent, and on the conventional market, from banks and other financial institutions, a rate of 11½ per cent.

Constituents in my riding of Sault Ste. Marie have come to me complaining that they cannot obtain conventional mortgage rates, and that they are so desperate for accommodation that they have been forced to go to other institutions, such as loan companies, and are paying mortgage rates as high as 15 per cent. In our society that is totally criminal. We now find also that the mortgage money supply is becoming tighter and tighter. It is being restricted by the private lending institutions to new houses. For existing houses, which most average income Canadians can afford, mortgage money is practically non existent. So the second aspect of this problem of housing is the mortgage rate escalation.

The third aspect of this crisis is the rising cost of materials and land. Lumber costs rose last year by 45 per cent, electrical supplies by some 30 per cent, and I could go on down the list and tell how costs have increased dramatically. Land costs are now outrageous. In my constituency serviced lots selling for $4,000 or $6,000 only a few years ago now cost an average of $10,000. In the city of Toronto the cost is as high as $20,000. Labour costs have gone up as well, but certainly not in proportion to building costs or land costs. It is interesting to remind ourselves that construction workers in the housing industry receive only two thirds of the average wage of construction workers as a whole, especially those building commercial buildings.

The fourth aspect of the crisis today is the decline in housing starts. To the end of March of this year the projected annual rate of new housing starts in Canada is only 144,400. That is the lowest level since 1970. The minister has set a target of 210,000 units for this year. There is no way he will be able to achieve that goal under existing policies. Indeed I have heard from officials in

[Mrs. Appolloni.]

CMHC—and they will have to remain unnamed—that the ministry is seriously considering revising that target, admitting a failure and dropping it to the rate of 186,000 units for the year. If that happens it will be a total admission by this minister that his policy is a failure.

● (1600)

There is also a decline in the departmental budget of the minister in real dollar value because of the rising inflation rate. Those are the components, the characteristics of the housing crisis today. This means that a majority of Canadians can no longer afford to buy a house even with the programs the minister is so fond of reciting when questioned or in debate. Even with those programs the majority of Canadians have been shut out from any hope of owning a house at a reasonable cost.

To qualify for assistance under the Assisted Home Ownership Plan a person has to be earning a salary of $18,000 a year in Toronto, $19,000 in Vancouver, $15,000 in Halifax. To buy a house in Sault Ste. Marie a person would need to earn $14,000 a year, but the average income in my constituency is only $10,000. To get AHOP assistance in Sault Ste. Marie under existing tight money and high housing costs one would need to earn $10,000 a year.

When 80 per cent of families in Ontario have incomes below $15,000 a year and 60 per cent of families have incomes below $11,000 a year, then we can see that the minister's pet, the AHOP program, is beyond the reach of the majority of people living in Ontario with the existing housing crisis and mortgage rates. When the average wage in Canada is $9,000 a year, who can hope to own a house?

The government says that an income earner is not supposed to pay more than 25 per cent of salary for accommodation, that is, to enable that income earner to afford the other necessities of life for himself and his family. In the province of Ontario there are 560,000 people paying over half their income for housing. That is outrageous, unjustifiable, and totally unnecessary if the government—

Mr. Watson: On a point of order, Madam Speaker, I am sure the hon. member for Sault Ste. Marie would not want to leave on the record a statement which is incorrect. He indicated that families in the Sault Ste. Marie area earning up to $14,000 a year and in the Toronto area up to $19,000 a year would not be eligible for the AHOP program. The situation is precisely the reverse of what the hon. member stated. Families earning up to those figures are eligible.

The Acting Speaker (Mrs. Morin): Order, please. This is a point for debate. The hon. member may deal with the point if he speaks later on.

Mr. Symes: I am glad the hon. member for Laprairie (Mr. Watson) brought that up. When he looks at *Hansard* he will find that I said under the existing situation in Toronto and Sault Ste. Marie. Granted, they can qualify under the AHOP program that has come up with funding for existing housing. In my constituency they would need to be able to find a new house for under $30,000. The average income being what it is, and AHOP being designed to help people with incomes from $9,000 to $12,500, the bulk of them cannot afford it. They would have to be earning over $10,000 a year to find any housing in the Sault under existing circumstances today. Certainly they qualify, but the circumstances prevent them from taking advantage of the program. So we have a situation that on paper the government program says people can qualify, but the realities of supply and price make it impossible for the majority of Canadians to buy a house.

What is the reaction of the Minister of State for Urban Affairs (Mr. Danson)? In a speech delivered to a real estate seminar in Toronto he said:

> Central Mortgage and Housing designed its programs to give more Canadians, particularly those at low and middle incomes, access to good, affordable accommodation.

That is a very fine sounding system, but in reality CMHC policies are just not working. The minister likes to boast of the success of AHOP, but let us examine the workings of that program.

The minister says the program has a budget of $350 million. As I mentioned a few moments ago, that budget is for new homes only. They have cut out of the budget all funds for the purchase of existing housing. In some cases, of course, existing housing is less expensive than new housing. That is the housing low income Canadians depend on, but it has been cut out of the budget because of the minister's desire to put all the funds he can into building new homes so that he can meet his goal of 210,000 units.

AHOP was primarily for people in the $6,000 or $7,000 or up to $12,000 income bracket, but because of the existing housing situation it is mostly people earning between $10,000 and $12,500 who end up qualifying. Where can you get a new house for $30,000 today? If you earn $8,000, under the AHOP program you can only afford a house that does not cost more than $20,000. Where can anyone get a house at that price today? AHOP has frozen out the majority of Canadians who earn less than $10,000 a year.

The minister's program is not the great success he likes to make out it is. The minister has done nothing to bring down interest rates either. He has subsidized private lenders but has not attacked the usurious interest rates of 11 per cent and higher that we have today.

For example, for a house that costs $44,900 having a 10 per cent down payment and mortgaged at 11½ per cent over 30 years—that is a $40,000 mortgage—taking into account the interest rate and the principal, the individual ends up paying $139,680 for that $44,900 house. That is just shameful and disgraceful in our society. Yet the minister sits back and allows the interest rate to escalate.

The New Democratic Party says that the government should instruct banks to issue mortgages at 6 per cent for low income families. Bankers should be required by law to set funds aside at the interest rate—they can easily afford it. When we look at their holdings we find that the mortgage holdings of banks represent only 8 per cent of their total assets. In 1973, the last year I have figures for, the banks paid an average interest rate of only 4.7 per cent on all deposits. Under this scheme of 6 per cent mortgages, banks would still be able to make a profit.

If we had 6 per cent mortgages there would be a significant saving for those who need it most. Comparing a 6 per cent mortgage to an 11 per cent mortgage on a $35,000

house, there would be a saving of $1,356 a year. I contend it is outrageous that on a $35,000 house, with an 11 per cent mortgage, the principal amounts to only $17 a month but the interest is $320 a month!

The Liberals have failed totally to address themselves to the problem of interest rates. They will not confront their friends in the financial institutions because bankers and financiers in this country are sacrosanct as far as Liberals are concerned.

● (1610)

We of the New Democratic Party believe, unlike the Liberals, that owning a house is not a privilege but a social right. Nothing is as important for family upbringing as decent accommodation. Decent housing is a social right, just like education and medical services. To make that concept a reality we would do the following, and we urge the minister to consider these points seriously.

First, we should reduce mortgage interest rates and compel financial institutions to give priority to residential housing in their lending policies, and free more funds for the housing market. In addition, we would compel them to set aside a certain percentage of assets for mortgage moneys to be lent at 6 per cent to low income people. I am gratified to note that the NDP government of British Columbia has moved in that direction by setting up its own provincial bank which will lend mortgage moneys at 6 per cent to low income people.

Second, in order to get more housing units built, we would double the housing budget, even if that means deficit financing. Housing represents an important social need, and we must build more houses. Certainly by encouraging house building we will stimulate the construction industry, one of the most job intensive in the country. Our target would not be 210,000 units, but 400,000.

Third, we must involve the government directly in house construction. As the private sector is not building enough houses, especially public housing, because it is more profitable to build individual units, the government must become involved directly in housebuilding. Governments have become involved in this way in several European countries.

Fourth, we must bring land costs down. Government funds for land assembly must be increased. We must do more of the sort of thing the Manitoba government has done in land banking. For example, in Winnipeg one can buy fully serviced government assembled lots for $7,000; lots in the private sector sell for $14,000.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, having listened to this debate all afternoon I suggest that all Liberal members who spoke, with one exception, did not make serious contributions on this important motion and serious subject facing the country. I include the minister. The minister recited a catalogue of frivolous programs which have not worked, as demonstrated by the hon. member for Don Valley (Mr. Gillies), the hon. member for Kingston and the Islands (Miss MacDonald),

[Mr. Symes.]

and others. That is a reflection on the Liberal members who spoke, among whom I include the minister.

Only the hon. member for Maisonneuve-Rosemount (Mr. Joyal) made a spirited and sincere speech about the problems and ferment in the construction industry. I think that was the gist of his remarks. I ask the hon. member for Maisonneuve-Rosemount what has contributed to this ferment? I suggest the main contributor has been the government, or the Minister of Finance (Mr. Turner) whom he supports. The government which he supports has fuddled and duddled and fiddled, not dealt with inflation, led us blindly into economic chaos, and all the while has tried to assure us that everything in the country is all right. The situation has deteriorated to the point at which, finally, the Minister of Finance has admitted that we face an economic crisis. The mounting crisis this country faces, and the instability and fear it generates, is responsible in part for union unrest and the ferment of which the hon. member spoke. I think the hon. member knows that, too.

Canada is in economic difficulties. As the hon. member for Don Valley said, the housing programs of the government are built on an economic foundation and an economic premise of a bygone age. It is important to bear in mind one statistic: as of April, 1975, housing starts are down by 42 per cent, compared with starts in the same period last year. There is no indication that the Eaton's catalogue of programs which the minister cited will turn the situation round, and therein lies the tragedy.

It is also tragic to note that, faced with the present serious situation, we heard a minister who is tired. I do not know why he is tired.

An hon. Member: From fishing.

Mr. Baker (Grenville-Carleton): I suspect he is tired from wrestling with others in the cabinet who do not share his perhaps well-intentioned views for dealing with this serious problem.

Others have spoken about their areas of Canada; I want to speak about mine, the national capital. I suppose that compared with other areas of Canada the national capital is prosperous. But, make no mistake, we face problems as well. Mayor Greenberg is reported by the Ottawa *Journal* of May 6, 1975, in an article headlined "Grim housing shortage predicted for Ottawa", to have said that there would be a severe shortage of housing for rent, not only in Ottawa but in the region as well. On the same day the Ottawa *Citizen* printed an article headlined "Rental lack foreseen in region." The article said in part:

> The slowdown in housing construction is Canada-wide. In Ottawa during the first four months of this year, permits were issued for only 361 housing units, compared to 2,835 during the same period last year.

Remember, this is not a large city. I think Mayor Greenberg was being conservative in his assessment of the gravity of the crisis. But you need not talk to Mayor Greenberg or any other elected official to learn how grave is the crisis in housing. You will learn how bad conditions are if you read my mail. People write and telephone me all the time, and complain to me about their inability to obtain housing. In Grenville-Carleton many people are forced to live in highrise buildings because other housing accommodation is not available for them.

Young people cannot afford to borrow money. Although their salaries have increased each year in dollar terms, they do not earn enough to qualify for a mortgage loan. They cannot afford houses. Consequently they are trapped in these highrise buildings. I agree that some people prefer to live in highrise buildings. That is their privilege. I am not speaking about them. I am speaking about the people who are trapped in these buildings, who want a home but cannot afford one.

What is happening in our area? The Minister of State for Urban Affairs (Mr. Danson) is fighting with the regional government of this area over where development is to take place. The state of affairs in the national capital is dreadful, but the minister is arguing, fighting and threatening the regional municipality. He wants to get his own way with land use planning. I am the last to deny that the federal government does not have a unique responsibility in the national capital area. But that does not mean that the minister should force the National Capital Commission to do as he wishes, or that the federal government should ignore the wishes of the locally elected municipal government. If I may say so, because this area is the centre of gravity of the federal government, the minister has an even greater responsibility for solving the housing needs of Ottawa than he has, perhaps, for any other area.

● (1620)

While we are arguing as to whether the development in Carlsbad Springs ought to go ahead, or the development in the southwest quadrant of the national capital area, there are people sitting waiting for houses. There are thousands and thousands of potential units in the southwest quadrant of this city.

What does the minister have in answer to the regional municipality that wants to develop there in terms of its own official plan? He takes the cheap course and says the regional municipality is on the side of the bad guys, the developers. That is hardly consistent with what I regard to be the position of the Minister of State for Urban Affairs in terms of development of the national capital area. While this fight is going on, people are waiting for houses.

Some people seem to forget—and there are a couple of things the hon. member for Mississauga (Mr. Abbott) did not know, let alone forget—is that the land in the Carlsbad Springs area was purchased by the Ontario government as a land bank program, not for immediate development but for a program for a period of 20 years. The official plan of the regional municipality says it is to be for future development, yet the Minister of State for Urban Affairs wants to build homes as a Leda Clay monument in Gloucester township, and he wants to build them today. That flies in the face of the wishes of the local people.

There have been a lot of expressions of disrespect toward the minister because of the position he has taken. Rather than continuing this argument, he should sit down and consult in a meaningful way with the local regional officials. It might be a refreshing experience for him.

What is the result of all this? The result is that thousands of lots lie in a state of nature in the southwest quadrant of the city. The housing statistics set by Mayor Greenberg and others in the national capital area are going to get worse. Young people and others are going to be trapped against their will in high-rise apartments and townhouses for longer periods than they ought to be. The Minister of State for Urban Affairs and his department are not serving the national capital area well. That is the result of this interesting jurisdictional dispute.

While these people wait for some action, interest rates rise, housing starts fall, mortgage moneys continue to be scarce, and the cost of construction continues to rise. In the meantime I suppose we are going to hear the hon. member for Ottawa Centre (Mr. Poulin) announce for the fifth time the beginning of the park in LeBreton Flats. Every once in a while when there is nothing to say, the hon. member for Ottawa Centre trots out another announcement that LeBreton Flats will go ahead.

I do not know why the minister takes this position. I do not know why he feels the only way he can accomplish anything is to carry out an end run around the provinces and municipalities. Surely the local officials have something to say. No federal officer ought to trade compromise and consultation for the questionable tool of confrontation. However, that is what is happening. As a result, housing development is slowing down.

The federal government is saying in the local area, "Play ball or we will not let you use our land for development." That quote has been attributed to the federal government. The minister says, "Play ball or we won't pay the one third cost of servicing as we have done in every other instance." If that is an example of reasonable consultation, I guess I have not seen one before.

One of the arguments that seem to affect this area is the questionable quality of the land. A report was issued a few days ago by De Leuw Cather. I have to admit that the De Leuw Cather report does not say the Carlsbad Springs area is a swamp. However, it does not give it a complete bill of health.

If the De Leuw Cather report says anything, it is that if you can develop in another area then go ahead and do it, because it will be very costly to develop in this area. It will be costly to service the area and to put in foundations. Housing costs will be above the ordinary. There will be some difficulty with regard to providing services within the area. There will be some difficulty in so far as the timing is concerned.

The chairman of the regional municipality put it the best way possible. I quote from an article in the May 16 edition of the Ottawa *Citizen*:

> "All I can say is that this is the worst soil in the area," Mr. Coolican said in an interview. "If you are going to find out how you can build on the land, you don't have to do it as a priority.

For some reason unknown to me and so far unexplained, the minister has taken this piece of land, generally regarded by people in the area as one of the worst, if not the worst piece of land, and decided it will be developed immediately in place of available serviced land in the southwest quadrant of the national capital area.

If the minister is making any mistake, it is that he has his role mixed up. The federal government is not the prime developer of land. It ought not to attempt to avoid its responsibility to consult with the provinces and municipalities. If it has any responsibility at all, it is to provide

the financing to the provinces and, through them, to the municipal governments in order to allow those governments to make local decisions as to what direction development ought to follow in the particular community. There are different problems in different parts of Canada.

What are the arguments we hear from time to time with regard to this development of Carlsbad Springs, which someone has called "Fullerton's folly"? It is said we might better develop there because useful farmland would be taken up in the southwest quadrant of the city. Let me say something about that. The fact is that very little, if not all, of that useful farmland is not being farmed. It is now in the hands of developers and is in the process of being developed. They are now ready to go. Even if it were available for agriculture, the cost of farming on that high priced land would make it impossible for young farmers to afford.

There is a potential there which the government seems to ignore. I really believe there are some positive things that can be done. Some of them were mentioned by the hon. member for Don Valley. I think his speech should be commended to all. I hope that members opposite who are truly concerned about the principal urban problem in Canada and a very important rural problem listened very closely, and will read again the speech of the hon. member for Don Valley.

We can utilize the new town concept and the concept of developing around existing towns. We have the rail network in this area, and I suspect in other areas, to provide interurban transit. All of these things can be done, but I suspect they will not be done if the only imaginative proposal put before this House is a continuation of a program of spend, spend, spend. The result of that spending in terms of housing for Canadians indicates that that need is not being met. This is the tragedy of this government and this minister.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I want to enter this debate very briefly and make just a few comments. The first is to mention the fact that I represent a constituency that has perhaps had the fastest rate of growth in urban development in all of Canada, and may be one of the fastest developing communities in all of North America. It is the location of the first satellite city in Canada—Bramalea. Since I have been here I have not heard many members rise to commend developers. But I think that today we should make an exception. I certainly want to commend the Bramalea Consolidated Development Corporation.

● (1630)

I was in the House back in February I guess, when a debate on housing took place, and the hon. member for Broadview (Mr. Gilbert) took this company to task somewhat severely in connection with its foreign ownership and its involvement in the building and development industry in Canada as the company was then owned almost completely by outside interests. As the member representing the area in question, I should like to draw attention to the fact that, this week, the transfer has been completed to make it a wholly-owned and operated Canadian company. This move has drawn praise from both the government of Ontario and the government of Canada, and I wish to be on record as commending them for having taken this step.

In the course of her statement the hon. member for Kingston and the Islands (Miss MacDonald) said that the basic problem was that the government did not have a minister responsible for housing who was able to exercise any real influence in the Cabinet. I want her and other hon. members to know that all those of us who support the government feel very strongly about the present minister; we support him wholeheartedly, and feel we are fortunate to have a minister who reacts so well and so courageously to the ideas presented to him.

The speaker for the New Democratic Party put forward the suggestion that it would be good policy to introduce a broadly-based scheme of rent control. Many people in the constituency I represent were faced with large rent increases last year, amounting to 25 to 30 per cent. It would be natural to suppose that their reaction might be to favour rent controls, at least to some extent. I wish to oppose this idea as strongly as I can. I believe the experience in Britain, in British Columbia, and elsewhere where it has been tried, has proved it to be altogether unproductive. The only answer to high rents is competition in the market place, and I do not think there is anything which could drive competition out faster than the imposition of rent controls. Rent controls are not the answer.

Mr. Gillies: You are opposing the Minister of Finance (Mr. Turner), I see.

Mr. Milne: Many speakers touched on the subject of land banking. This is a matter which has been talked about for many years, during which little has been done. I hope the provinces take up the federal government's program seriously and really get involved. It should be appreciated, though, that there is no immediate payoff. The payoff does not come until 15 or 20 years into the future. Still, if we do not make a start now, what is the situation in the future likely to be?

One of the groups involved in house construction is made up of builders of small and medium size. Many, if not most of them, have been forced out of business in the last few years by the high cost of land; they cannot afford to carry sufficient land on their inventories to build 30 or 40, maybe 100, new houses. As a result home-building is being left to the very large developers. If the provinces do not become seriously involved in the land bank program so that builders of moderate size may have land available to them on which to build, a large group of valuable people will disappear from the building field.

Many speakers have addressed themselves to the issue of the supply of housing and the seriousness of the shortage. Is it really a question of the supply of housing or of cost? If one looks at the housing market at the present time I think it becomes clear that there is a fairly large inventory of houses which are vacant and up for sale. This would indicate that supply is not really the overriding problem but that it it is the cost of housing which really concerns people at the present time.

Mr. Gillies: Altogether wrong!

Mr. Milne: Look around and see the amount of housing that is available. Ours is such a large country that it is ironic the price of land should be such an important factor in housing costs. I am disturbed we should be building smaller and smaller houses, cutting corners wherever we can in order to accommodate the high cost of land. This is another reason why I strongly urge governments across Canada to become seriously involved in land banking as a solution for the future.

I was disturbed by the speech made by the hon. member for Don Valley (Mr. Gillies).

Mr. Gillies: You did not understand it.

Mr. Milne: I understood it quite well; I could not follow the logic or, rather, it was the illogic of the speech which puzzled me. I thought it was unfair for him to take such an aggressive attitude toward the minister as though all the housing problems in Canada were his fault and all blame rested on his shoulders.

Mr. Gillies: Most of them are.

Mr. Milne: Most of the remarks the hon. member was making would have been more valid had the Mayor of Toronto and the Premier of Ontario been here representing the whole composite area. In fact we are bound to establish this type of dialogue between the three levels of government if plans in the housing field are to meet with complete success. For example, how will you resolve a problem when there is four times—

Mr. Gillies: You do not understand the issue.

Mr. Milne: I am not referring to the hon. member at the present time. As I was saying, growth in our larger cities is running at about four times the average rate as people move into the cities to take advantage of job opportunities. One finds the municipal areas trying to pursue a no-growth type of policy, with bylaws which support that approach.

What is happening is that the core areas in the large metropolitan areas are trying to enforce what amounts to a zero growth policy. This channels growth into surburban communities around the periphery of the major centres. Such areas, as I know, since I come from one, are under tremendous pressure, and the municipalities concerned face a real problem. At one time everyone thought that the more houses which were built in an area the better off residents were from the point of view of the municipal tax structure. This appears to be no longer the case. It is necessary nowadays, to make sound judgments as to the cost of this growth.

A number of hon. members have referred to the inroads upon productive agricultural land made by urban expansion. Our attitude toward this issue appears to me to be somewhat illogical. For instance, the Minister makes an announcement concerning a major housing development within the next three years, and at the same time a good deal of concern is expressed about the need to preserve good agricultural land. I think it is very unfair to propose a program under which agricultural land around metropolitan areas will be rapidly depleted while at the same time denying farmers the benefit of their annuities, or the majority of those annuities, for the sake of the rest of society. If the authorities really value agricultural land, then the location of the services is of vital importance. If we want to continue extending services to good agricultural land it is very unfair to say that the farmers should bear the cost.

● (1640)

One of the things that really astound me, in terms of how some of the provinces are handling the situation, is the scarcity of serviced land in some of the northern towns and villages. It seems to be far more scarce than in areas surrounding our big cities. Employees who have been transferred to small towns and municipalities in northern Ontario have had to buy a very old house and remove it and build a new one just in order to get a serviced lot. This has nothing to do with the argument about preserving good agricultural land because there is none in that area. Somewhere along the line the decision must be made whether to allow development in that kind of area, and if it is, then let us get on with it.

My information is that there are probably close to 100,000 building lots across Canada which have received municipal approval but approval is being held up at the provincial level. This is why I cannot accept the argument of the hon. member for Don Valley that the problem rests entirely with the minister, because that is not the case.

I should also like strongly to support one of the points made by the minister to the effect that we must be very careful about who does the spending and who does the taxing. I thought he made that point very well. If the government were to continue, as the hon. member for Don Valley would have it, to fund the housing market across Canada and let somebody else do the spending, then I think this would be a very bad precedent. I often wonder, when I hear this sort of argument, whether we would not do better to become even more involved than we are in design, financing, and research into some of the infrastructure required, and leave the funding of the programs to the provinces which have the basic responsibility in the housing field.

Let me give an example. It is not really fair of me to comment on this situation because it is not in this jurisdiction, but let us say that in a major housing development within a very short period of time it is brought to people's attention that the municipality can no longer handle garbage removal. The whole question of disposal of waste, garbage and so on, is one to which we must address ourselves. I would not be opposed to the federal government concentrating upon this role, rather than adopt the suggestion put forward by the hon. member for Don Valley that we supply the money and have very little say in terms of how it is spent.

Some years ago it was thought that the magical answer to the housing problem would be the introduction of modular housing. The pay-off in Europe and in Great Britain has been tremendous, and a number of municipalities in the Toronto area have tried it. However, I am not aware that this is a particularly active proposition at the present time, and I wonder whether they approached it in the right way.

We have one of the most efficient construction industries in Canada, certainly around our large cities, so far as the building of multiple dwellings is concerned. It was almost self-evident that modular housing would not be able to compete with this kind of efficiency. But what is of interest to me is that in terms of construction costs the service modules built around the kitchen are a very good modular approach, and I think would have a tremendous pay-off if they were put together and marketed as a modular component.

I realize other speakers wish to take part in this debate before the hour of adjournment, Madam Speaker, so may I say in conclusion that the most frustrating thing to any person who is struggling to buy a house today is the amount of politics to be found in the housing industry. Until the municipalities, provinces, and the federal government get away from the media and publicity, and seriously address themselves to how to handle the no-growth situation, along with the pressures and trends established over a long period of time toward mass movement to urban development, and until we spread employment opportunities to smaller areas, there is simply no good reason to service land in such communities.

As others have said, this is a Friday afternoon and this is an interesting way to spend it. The hon. member for Don Valley has made a great oration, but I do not see how that sort of thing is going to solve the housing problems in Canada. What we need is co-operation between the three levels of government to get this job done.

The Acting Speaker (Mrs. Morin): Is the hon. member for Don Valley (Mr. Gillies) rising to ask a question?

Mr. Gillies: Yes, Madam Speaker. Would the hon. member permit a question?

Mr. Milne: Certainly.

Mr. Gillies: I wonder whether the hon. member from Bramalea has talked to some major developers in the Bramalea area about what their principal problem is in building housing at the present time.

Mr. Milne: As a matter of fact, I have. I think they would indicate to the hon. member, if he asked them the same question—

Mr. Gillies: I did, yesterday.

Mr. Milne: Yes, I understand that. I think he would learn from them that the private sector is not advancing sufficient housing funds.

Mr. Gillies: That is exactly right.

Mr. Milne: Hon. members opposite are the strongest proponents of the private sector, so they should tell some of their corporate friends that if they feel any social responsibility for housing they should be making more money available.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Madam Speaker, in the few minutes I have left I am pleased to be able to make some contribution. I commend my colleague, the hon. member for Kingston and the Islands (Miss MacDonald), for a very excellent motion and for her presentation which covered the housing crisis pretty thoroughly.

Some hon. Members: Hear, hear!

Mr. Marshall: Others of my colleagues covered the waterfront, as it were. The area I want to explore for a few moments has to do with the new veterans' housing program which is now closely aligned with the responsibilities of the Minister of State for Urban Affairs (Mr. Danson) in collaboration with the Minister of Veterans Affairs (Mr. MacDonald). This new program went into effect on May 1, and while I admit that they have struck on two programs that could fulfil the needs of many veterans, they missed a most vital and important item which would provide relief for veterans who have homes of their own but are living on fixed incomes or allowances.

First let me deal with the two sections of the act that will provide veterans with a bit of extra relief. I refer to the AHOP program whereby veterans will not have to face the restriction that they must have children to qualify, not that this is any great show of consideration when we take account of the age of the veterans to whom this measure applies. In addition, the veterans will be able to qualify for annual assistance of $600 on the purchase of an existing home. I hope the minister will soon consider reintroducing this proposal for all Canadians, as well as removing the restriction on the first time home buyer that he must have one or more children to qualify.

In this regard, even though the Minister of Veterans Affairs—whom I was hoping would be here this afternoon—has publicized the program in the newspapers and it will soon appear in the newsletters and periodicals of the veterans' organizations, I appeal to the minister to set up better communications to make every veteran aware of the program. It is well known to the Minister of Veterans Affairs, as well as to the Minister of State for Urban Affairs, that many veterans were not aware of the deadline set by parliament in 1963 for certification under the Veterans' Land Act. As a result they were denied the opportunity of taking advantage of the act after that date. I therefore appeal to both ministers to ensure, through every avenue available to them—certainly there are sufficient public relations staff in government departments today—that every veteran is made aware of the new program.

Another observation I want to make has to do with the section under the non-profit housing provisions whereby organizations may apply for a little extra relief under the start-up funds and 10 per cent assistance on capital costs. Again I wish to remind both ministers that in the design of such buildings it is important that standards be set to ensure easy mobility of the handicapped, the disabled, and the aged. I also hope that the Minister of Veterans Affairs will provide, in consultation with the veterans' organizations across the country, leadership in the provision of non-profit housing of every type needed for all veterans.

● (1650)

A most glaring oversight exists in the consideration the ministers have given to the provision of a housing program. I refer to the vital and important need of thousands

of veterans who own their own homes who, because of limited income, are not able to carry out the necessary repairs to maintain those homes. For some reason or other both ministers who must be aware of this need did not include a rehabilitation factor similar to that existing under the Neighbourhood Program and the Rural Native Housing Program. The minister might give me the argument that veterans now can qualify under these two sections. I point out this inequity, however, because in order to qualify under the present terms of the act veterans must reside in one of the designated areas, and this is the responsibility of the province.

If the veterans happen to live outside the designated areas they would be denied the opportunity to qualify for the forgivable loans that are available. I submit that this is wrong. As most members are aware, under the Residential Rehabilitation Program citizens earning an income of $6,000 or less can qualify for loans of up to $5,000 to bring their homes up to a better standard. Of that amount 50 per cent may be forgiven. Indeed in a case where the need is only $2,500 it may all be forgiven.

In order to satisfy veterans who fall within this category the easy solution would be that they be permitted to apply directly to CMHC for such loans and grants regardless of their places of residence. They should be able to do this under the criteria concerning standards laid down by the particular province. I suggest that the Minister of Veterans Affairs might consider being a little more generous in providing in his departmental funds for forgiveness loans that would be a little more generous, and in increasing the forgiveness loans from $2,500 to say $4,000. The Minister of Veterans Affairs well realizes the need for such a program because he has an example of the need in the study made by the Newfoundland and Labrador Command of the Canadian Legion which indicates that there are vast numbers of homes owned by veterans which are in need of repairs, while the veterans or the widows who exist on allowances or pensions find difficulty in living a reasonable life, let alone having the necessary funds to keep their homes in reasonable repair.

I suggest also that a survey to obtain the necessary information should be initiated by the ministers in every province of Canada. There is another alternative whereby the $600 annual grant could be used to offset the cost of repairs. I am sure some means could be found to work out a system under the AHOP program in this regard. Another alternative would be for the government, through the ministers, to expand the present home improvement loans which exist under the National Housing Act if there are any constitutional problems which exist. All that would be necessary would be to include under that program the same forgiveness factors which exist under the residential rehabilitation program.

Since I always try to be optimistic and give credit rather than criticize, I wish to say I believe I have already made some progress along the lines mentioned. When both ministers attended the committee proceedings they indicated their willingness to consider a program such as I suggest. On Wednesday past I presented a motion before the Standing Committee on Veterans Affairs which asked the committee to request that the minister consider additions to the veterans housing program which would include a provision that veterans, irrespective of their province of residence, might apply directly to CMHC and the Veterans' Land Act administration for rehabilitation loans containing forgiveness factors, similar to those which presently exist under the Neighbourhood Improvement Program and the Rural and Native Housing Program. I was very pleased that the motion was unanimously accepted. This indicates that all members of all parties recognize there is merit in the suggestion. I commend all members of the committee for their co-operation.

I now appeal to both ministers, who themselves are distinguished war veterans and who recently have been recognized in this parliament for their service—the minister responsible for Housing who was commended for his concern for people, and the Minister of Veterans Affairs who was referred to as the perfect minister—to look at these suggestions I made on behalf of my party and explore every avenue by which they might make a further contribution in meeting the needs of all our veterans across the country, and particularly those who fall within the category of most need.

The Leader of my party does not mind my making these suggestions and helping the minister devise plans to answer the problem of providing housing for our citizens. I shall continue to help, and I hope that both ministers will listen to me and implement these improvements in the same way the Minister of Veterans Affairs has accepted other realistic proposals put forth by my party in respect of the veterans charter in relation to allowances and pensions. While I do not mind throwing around a few bouquets to the other side I find I must take serious issue with a statement made in this House a week or so ago by the Prime Minister (Mr. Trudeau). At that time he was asked to give examples of how the government practises restraint in spending. The one example he gave was the restraint that would come about as a result of the phasing out of the Veterans' Land Act. I take strong issue with this statement because nothing is farther from the truth or closer to a term which may not be uttered in this House.

I wish to repeat the words I used in my question of privilege, which was ruled out of order. I said that these words were a slight to the veteran and that if this were the only example of restraint the Prime Minister could find to support the action of the government, God help Canada.

In order to prove my point, which I proved in the Standing Committee on Veterans Affairs, that it will not cost the people of Canada one penny to maintain the Veterans' Land Act administration, let us look at some figures. In 1973-74 the operating expenditures for the Veterans' Land Act administration were $11,879,014. In 1974 the expenditures were $12 million, the year when we forced the extension of the act, but at the same time over 3,000 new veterans were served. I shall give more details on that later.

The estimated expenditure figures for 1975-76 show an increase of only $101,125 to $12,705,548, and $71,000 of the $101,125 is made up of contributions to employee benefit plans. As a result of the extension for one year of the Veterans' Land Act 5,561 loans for new establishments were approved compared to a figure of 3,175 for the previous year. In addition there were 2,558 loans to veterans already settled. As a result of the extension to March 31,

1975, over 3,000 new applications were approved. I hesitate to mention the fact that according to answers to questions I placed on the order paper some 7,600 received extra benefits as a result of our phasing out of the act.

The Acting Speaker (Mrs. Morin): Order, please. It being five o'clock it is my duty to inform the House that pursuant to section 11 of Standing Order 58 the proceedings on the motion have expired.

It being five o'clock this House stands adjourned until Monday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 26, 1975

The House met at 2 p.m.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF FURTHER MEETINGS SEEKING CONSENSUS ON RESTRAINT—DATE OF FINAL ASSESSMENT STAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance arising from the reported statement of the Prime Minister during his tour of Ontario that no further consensus talks are scheduled between the ministry and the groups involved in the earlier discussions. Would the minister indicate to the House why this is so, particularly now that the budget has been delayed almost a month beyond what he had originally hoped?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I suppose it is true that in a formal sense there will be no further talks until after the budget, in view of the fact that we now have to review options, but there have been technical discussions held since my last meetings, and as I said to some members of the press, it may be that I will want to have further meetings with some leaders of the business and labour communities.

Mr. Stanfield: It rather looks as though the consensus program is in the same condition as some of the animals delivered for human consumption in Quebec.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: Without any such talks between the minister and the groups he had been meeting before, could the minister tell us what other input he will be seeking before making his final assessment on the prospect of a voluntary restraint program? When will the minister enter his final assessment stage, and will he make a final assessment before the budget?

Mr. Turner (Ottawa-Carleton): I think that might be one of the matters I will want to deal with on budget night.

Mr. Stanfield: Speaking about budget night, in view of the delays, confusion and deception, which I hope has not been intentional, I must ask the minister whether he is prepared to stake his continuance in his present office on his ability to present a budget no later than June 23.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there are enough risks in this office already.

● (1410)

INFLATION—DATE OF DELIVERY OF WORKING PAPERS ON RESTRAINT GUIDELINES SUBMITTED TO CANADIAN LABOUR CONGRESS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I have a supplementary question for the Minister of Finance. Notwithstanding the minister's desire to remain silent about future developments—or the lack of them—in the consensus program, would he at least clarify a few points about what has been done up to this time. In view of the fact that Mr. Joe Morris of the Canadian Labour Congress has stated publicly that the first time he saw the federal government working paper on consensus was when he read it in the May 5 edition of the Toronto *Star*, could the minister tell the House when a copy of the working paper, as now tabled in the House, was delivered to the CLC and to Mr. Morris?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think they were delivered to the CLC before the documents were made public, and certainly before the executive meeting of the Canadian Labour Congress and the meeting of the council of the Canadian Labour Congress. I believe Mr. Morris had not had a chance to review the paper personally because he had been out of the country on official business.

INFLATION—SOURCE OF LEAK OF WORKING PAPER ON RESTRAINT GUIDELINES

Mr. Sinclair Stevens (York-Simcoe): A further supplementary, Mr. Speaker. As the leak of the consensus paper apparently contributed to the hardening of positions and an atmosphere of confrontation, judging from the comments made by Mr. Morris, can the minister tell the House whether he has investigated where the leak occurred? If it occurred in his department what remedial action has been taken?

Hon. John N. Turner (Minister of Finance): We have not found the source, Mr. Speaker.

INFLATION—POSSIBILITY OF MINISTER MEETING CANADIAN LABOUR CONGRESS TO DISCUSS COUNTER PROPOSALS TO RESTRAINT PROGRAM

Mr. Sinclair Stevens (York-Simcoe): A final supplementary. Considering that the minister, as of May 23 had not met with Mr. Morris to discuss the CLC nine point counter proposal, can the minister indicate whether or not he is prepared to meet with Mr. Morris to at least discuss the CLC proposals?

Oral Questions

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is badly informed. I have met once with Mr. Morris, privately and once with his executive to discuss their nine point proposal.

* * *

POST OFFICE

ALLEGED CONFRONTATION BETWEEN MINISTER AND EMPLOYEES—SUGGESTED MEDIATION BY DEPARTMENT OF LABOUR

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the serious state of confrontation that seems to be developing between the Postmaster General and the postal employees, would the Prime Minister consider asking the Minister of Labour to make the services of his department available in a third party situation so that this problem might be resolved?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I address a supplementary question to the Minister of Labour. If the Prime Minister will not ask the Minister of Labour to make his services available, I wonder if the minister would offer those services himself?

Hon. John C. Munro (Minister of Labour): Unfortunately I did not hear the hon. member's question, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): My question was based on the serious state of confrontation developing between the Postmaster General and the post office employees. I asked whether the services of the Department of Labour, as a third party, could be made available?

Mr. Munro (Hamilton East): I think the matter is already in competent hands, Mr. Speaker.

[*Translation*]

GOVERNMENT ACTION TO DEAL WITH EMPLOYEES WHO CLAIM THAT THEY ARE SICK

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Postmaster General.

Can the minister tell the House how many cities and employees are now affected by the epidemic which has struck postal employees, and what steps he intends to take in this regard?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I believe all postal employees in Montreal are sick today. As usual, we do not want sick employees to work while they are sick. Doubtless, when they come back to work tomorrow, they will bring proof that they are in good health.

[Mr. Stevens.]

[*English*]

THE BUDGET

POSSIBILITY OF LEGISLATION FOLLOWING PRESENTATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Minister of Finance arising out of the questions asked by my leader. Is the minister sufficiently aware of the likely content of the new budget to be able to indicate if legislation will arise out of it? If so, will that legislation be commenced before the summer recess? In particular is the minister aware of the kind of tax increases the Prime Minister promised when he spoke at Belleville?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in terms of the hon. gentleman's assumptions I do not know whether he would consider me sufficiently aware or not, but I think I know what I am doing.

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EXTERNAL AFFAIRS

EUROPEAN ECONOMIC COMMUNITY—POSSIBILITY OF CONTRACTUAL LINK

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Prime Minister. As it has been indicated that during his trip to NATO, on which he leaves tomorrow, the Prime Minister will continue to pursue the elusive contractual link, has he reason to believe that his pursuit on this occasion will be more fruitful than it has been in the past and does he expect to be able to make an important announcement about this when he comes back?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for wishing me well on my NATO trip. The purpose of my trip to Brussels is not the pursuit of a consensus. My trip to Brussels is concerned with NATO rather than with the consensus. I will be speaking to the Prime Minister of Denmark and the Prime Minister of Luxembourg about the—

Mr. Stanfield: Missing link?

Mr. Trudeau: —contractual link. The hon. member is saying that it seems to be elusive. Perhaps he has not seen rather extensive reports which have been carried in the press to the effect that the commissioners' recommendation has been made to the commission, and the commission will be asking the council of ministers to authorize the beginning of negotiations with Canada. This, it seems to me, is very good progress indeed. Perhaps the hon. member does not understand it. I will try to explain it to him.

Mr. Hees: A supplementary question, Mr. Speaker. I do understand it very well and I am sure all members of parliament do. As it has been indicated a number of times in the past that representations will be made to the commission to make possible the contractual link with Canada and nothing has happened so far, has the Prime Minister reason to believe that more concrete results will be obtained this time than were obtained in the past?

Mr. Trudeau: Mr. Speaker, I do not expect to be able to show concrete results at the end of this week. As I have explained to the hon. member, it is now up to the council of ministers to agree to the recommendation put to them by the commissioners. I point this out to the hon. member: on the one hand, we have talked to the commissioners, both at the official and ministerial level and at my own level, and they are now making this type of recommendation to the council of ministers. On the other hand, while I tell the hon. member that I have been speaking to all the heads of government of the nine, the only two which remain are the ones I will be seeing this week. Therefore it will be up to them to decide whether they want to give this authority to the commission. I will not be able to make an announcement at the end of the week, as I believe the commission will be submitting this matter to the council of ministers some time in July.

Mr. Hees: Mr. Speaker, I say sincerely that I think all members of parliament wish the Prime Minister well on his important mission.

Some hon. Members: Hear, hear!

Mr. Hees: We sincerely hope things work out the way he desires.

NATO—POSSIBILITY OF INCREASING OR ALTERING FORM OF CANADIAN COMMITMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary question is also directed to the Prime Minister and relates to his forthcoming visit to Europe and his participation in the NATO meeting. Will the Prime Minister be accompanied by the Minister of National Defence on that trip, and will he and the Minister of National Defence bear in mind the criticism made by the United States Secretary of Defence, that several NATO allies are reducing their military budgets at a time when Russia is increasing its military budget. Will he and the minister be proposing increases in Canada's commitment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to answer the first part of the question, the ministers of national defence of the NATO countries will not be at the NATO meeting. They are meeting now, as the hon. member knows, and their meeting is preparatory to the meeting which will be held later this week between heads of government, plus their foreign ministers. Therefore our Minister of National Defence will not be present; neither will the other defence ministers be present.

To answer the second part of the question, let me remind the House that in this year's budget, over last year's, defence expenditures have been increased by some 12 per cent, give or take a fraction. This increase is the highest of any NATO country's, bar one. Therefore I think we are in a good position to say that we are permitting our defence establishment to keep up with inflation in real terms, whereas no other NATO country, with the exception of one, is. We think that this is a very genuine indication of Canada's concern and its determination to ensure that its participation in NATO is indeed up to standard. I hope that members opposite will not be asking us to exercise restraint in that area again.

● (1420)

Mr. Munro (Esquimalt-Saanich): Will the Prime Minister be indicating that Canada is planning to alter the form and nature of its commitment to NATO by withdrawing its land forces, which are short of modern tanks in any event, and perhaps beefing up its air commitment?

Mr. Trudeau: That, I suppose, is a representation made by the member opposite. The Canadian government has, of course, reserved its right to make sure that its participation is the most effective possible. However, the overall commitment remains as has been stated by the minister and myself, namely that we will maintain our commitment to NATO and maintain it up to present standards. The question of whether one type of armament will be replaced by another is a question that is being reviewed at the present time.

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ADMINISTRATION OF JUSTICE

EFFECT OF ALLEGED FAILURE TO APPLY LAW RESPECTING CAPITAL PUNISHMENT—PROPOSED INTRODUCTION OF MEASURES TO REDUCE VIOLENT CRIMES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is also directed to the Prime Minister. It relates to some of the Prime Minister's philosophic comments to students in Montreal about social unrest which coincided with the interesting speech by the Chief Justice in Vancouver about disrespect for the law. In view of a publication by Statistics Canada which indicates that murders have increased by 11.8 per cent in a year, does the Prime Minister feel it is conducive to unrest and/or respect for the law for the government to not apply the law presently on the statute books, namely the capital punishment law that is there until changed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think it important to remind the hon. member that the government has been acting entirely within the law. He seems to forget a very important part which is that the prerogative of mercy is part of our legal structure. It has been for many centuries. I hope the hon. member is not arguing for the abolition of that prerogative.

Mr. Nowlan: In view of the interesting comment in the press that hanging will be suspended until parliament considers new legislation, which will be sometime before December 1977, does the Prime Minister have any firm date in mind? If violent crime is increasing, does the Prime Minister not think measures to reduce it should be introduced now, if there are such measures, separate and apart from the emotional debate that capital punishment will invoke?

Mr. Trudeau: Yes, Mr. Speaker. The hon. member is making the point I myself made a few times in the past. I think it is a very fundamental one. The government will want to make sure that citizens are reassured that our laws are being applied and being respected and that severe measures will be taken to ensure that criminals, either through the parole system or the conditional release system, are not put in a position where they can endanger

the security of law abiding citizens. I repeat, I have made that point a few times. It is very basic to the government's approach to this whole problem.

GOVERNMENT VIEW OF EFFECT OF DELAY IN INTRODUCTION OF LEGISLATION RESPECTING CAPITAL PUNISHMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Prime Minister which is along the same lines. I have read his remarks in the national press and have listened to his answers today. Am I to understand that capital murder sentences will be postponed *sine die* until a new abolition bill is introduced in the House? When will that bill be brought forward? The publication indicated it was anticipated about 1977. Whatever position one might take on this subject, does the Prime Minister not think that is probably the most inhumane position one could take at this time, since there are eight people who have been convicted of capital murder?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, it would be inhumane. However, it is not the government's intention to proceed in that way.

Mr. Woolliams: Mr. Speaker, I would like a clear answer. Is it the Prime Minister's answer that, with the increase in crime as set out by the Chief Justice and himself over the weekend, the government proposes a postponement, not a commutation, of all capital murder sentences, leaving the whole matter in a vacuum and legal inhumanity?

Mr. Trudeau: No, Mr. Speaker, that is not the government's intention. I remind the hon. member that what was being asked was a specific question about the postponement of the execution of one man, Mr. Vaillancourt. I was not asked a general question, nor did I indicate that legislation would take that into account in the determination of its date.

DATE OF INTRODUCTION OF LEGISLATION RESPECTING CAPITAL PUNISHMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Perhaps the Prime Minister could indicate to the House what the intentions of the government are with regard to legislation. Is it, for example, the intention to introduce legislation this fall? Could the Prime Minister be a little more precise as to what the government's intentions are?

Right Hon. P. E. Trudeau (Prime Minister): I expect the Solicitor General will be making an announcement on these subjects in the fairly near future.

IMMIGRATION

REASON FOR DETENTION AND INTERROGATION OF DR. FAYEZ SAYEGH, AN ARABIAN DIPLOMAT

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. It concerns the detention and interrogation at Toronto Airport of a most distinguished Arab scholar and statesman, Dr. Fayez Sayegh, who came to Canada last Sunday as guest of honour of the Canadian Arab Federation of which many Canadian citizens are members. Considering that this gentleman, as well as carrying his UN documents, was travelling on a diplomatic passport from the Government of Kuwait, will the minister investigate this regrettable discourtesy to a respected personage and a friendly state?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The facts, as stated, with regard to the inquiry in Toronto are generally correct. The gentleman in question admitted to membership in the Palestinian Liberal—

Mr. Knowles (Winnipeg North Centre): Liberal?

Mr. Andras: —Palestinian Liberation Organization. This, under Canadian law, makes him a member of a prohibited class. Consequently, he was told that he was a member of a prohibited class, but under the Nicholson doctrine which was stated in this House some years ago with regard to temporary entry, he was given a minister's permit for the express purpose of his visit to Toronto and for a limited time only.

Mr. Macquarrie: Is the minister indicating that all members of the PLO, whether they be priests, clergymen, pacifists, or what, are, in the view of the government, not admissible to this country?

Mr. Andras: The advice given by the Department of Justice is that the PLO is an organization, the members of which are prohibited entry except upon special permit.

GOVERNMENT INTENTIONS WITH REGARD TO PALESTINIAN LIBERATION ORGANIZATION MEMBERS ATTENDING CONFERENCE IN TORONTO

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, that is a most interesting answer. What does the hon. gentleman intend to do about the United Nations Congress on Crime which is to take place in Toronto in September and at which the PLO has the status of an official observer?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The action I described in response to the question by the hon. member for Hillsborough set out the policy in existence at present. That policy is being examined at this moment.

REASON FOR ALLOWING ENTRY OF LIEUTENANT-GENERAL DANG VAN QUANG FROM VIET NAM

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the same minister, the Minister of Manpower and Immigration. In view of the fact that a United States State Department official has been quoted as saying that Lieutenant-General Dang Van Quang, presently residing in a luxurious home in Montreal, has always been No. 1 on the list of venal personalities who must be gotten rid of if Viet Nam were to be saved, and in view of the fact that another high-ranking United States official stated that Quang was perhaps the epitome of everything that was

wrong in South Viet Nam, can the Minister of Immigration explain just how this gangster was allowed to enter Canada and just how long it will take the department to eject him in the interest of maintaining at least a semblance of fair play in our Immigration Department?

Hon. Robert K. Andras (Minister of Manpower and Immigration): General Quang, his wife and three children are in Montreal; I cannot attest to whether or not they are in luxurious surroundings. The three children were admitted as visitors from April 19 to July 19, having been issued visitors visas in Saigon on April 15. The General was admitted on May 15 under a minister's permit, valid until May 13 of next year. He has applied to remain permanently. We will be examining that application. He applied under the refugee program, of which hon. members are aware. I do not think it would be appropriate for me to comment further until we have gathered all the information and attested to the validity or otherwise of the allegations, some of which the hon. member made. Our decision will be made at a later date.

● (1430)

Mr. Blackburn: A supplementary question, Mr. Speaker. May I ask the minister to what extent RCMP and immigration officials investigated this man's background, the amount of money that he was going to bring into the country, how much he in fact brought in and so on? How many of these facts were assembled before the minister granted a permit to this man to enter?

Mr. Andras: Mr. Speaker, he came in as a refugee. He had proceeded from Fort Chaffee in the United States and entered the country, but he is under a minister's permit which does not make any permanent commitment by the government to his residence here. All of the information that the hon. member is suggesting be gathered is now being gathered by the agencies to which he referred.

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AGRICULTURE

GOVERNMENT ACTION TO ENSURE MEAT UNFIT FOR HUMAN CONSUMPTION DOES NOT ENTER INTERPROVINCIAL TRADE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Agriculture. Would the minister tell the House what safeguards his department is taking or what investigation he is causing to be made to ensure that there is no interprovincial trade in meat designated unfit for human consumption?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have jurisdiction over all meat that is traded interprovincially. It is supposed to carry an inspection stamp; it is supposed to be inspected as fit for human consumption. Any meat used for pet food does not come under our jurisdiction.

Mr. McGrath: A supplementary question, Mr. Speaker. May I ask the minister what steps he is taking to ensure that meat unfit for human consumption or meat that has not been inspected by his department is not getting into other provinces, in view of the revelations now taking place in Quebec?

Mr. Whelan: Mr. Speaker, under the British North America Act we have authority to inspect plants within our jurisdiction. I have received a complete report which will take several minutes or even longer to read, but I should be glad to put something together or table it if that is what the hon. member wants.

GOVERNMENT ACTION TO INCREASE FEDERAL INSPECTION OF MEAT IN QUEBEC

Mr. James A. McGrath (St. John's East): A further supplementary question, Mr. Speaker. Perhaps the minister might agree to table the report, but in the meantime could he tell the House what initiatives he is taking with the government of Quebec to increase federal inspection jurisdiction in the province, in view of the fact that more than 85 per cent of all Ontario meat is now federally inspected?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have offered the same services to any province of Canada. We are prepared to offer co-operation and provide our inspection services, etc. I understand that some talks have taken place between federal and provincial officials concerning provision of this inspection service, but we cannot force upon them our inspection services.

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GRAIN

WHEAT—GOVERNMENT POLICY ON COLLECTION OF OVER-PAYMENTS—REASON FOR ALLEGED DELAY IN SENDING REQUESTS FOR PAYMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the minister responsible for the Wheat Board. In view of the fact that prior to the last election many over-payments were made to farmers under the two-price wheat special permits payment program, has it been the policy of the government since the election and is it still the policy to collect all these over-payments from the farmers?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker, it is. As soon as the computer error which allowed these over-payments was discovered, letters requesting repayment were issued and a very high percentage of the amounts have now been refunded; but action is continuing in relation to the balance.

Mr. Yewchuck: A supplementary question, Mr. Speaker. Would the minister indicate whether any punitive action is contemplated or does the government intend to take to court farmers who are not in a financial position to repay these over-payments?

Mr. Lang: Mr. Speaker, the usual collection procedures are in play, which means that if somebody intending to make a repayment wishes an arrangement over time, we will naturally take that into consideration, but not as a means of escaping payment. Legal action is instituted if a person refuses to make a payment.

Mr. Yewchuk: A final supplementary question, Mr. Speaker. In view of the fact that the error was discovered approximately on June 21 and letters were written and dated at that time, can the minister say why they were not sent to the farmers until after the election was held?

Mr. Lang: Mr. Speaker, that is not accurate. Many farmers received letters before the election was held.

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IMMIGRATION

INQUIRY AS TO ASSISTANCE IN INTEGRATING IMMIGRANT CHILDREN INTO CANADIAN SCHOOL SYSTEM

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. What assistance is the minister giving to aid school boards across the country to integrate immigrant children into the Canadian system and help ensure that racism will not be allowed to raise its ugly head in our Canadian cities?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the question of the education of children, whether immigrant or not, is primarily one of provincial jurisdiction and responsibility. However, in certain areas of the country there have been discussions with provincial authorities as to what assistance might be possible through the various range of federal programs, but no definite commitment to a program has been made as yet.

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MULTICULTURALISM

DATE OF REPORT OF CANADIAN CONSULTATIVE COUNCIL—REQUEST FOR TABLING

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question for the minister in charge of multiculturalism. On March 3, 1975 the minister stated that the report by the Canadian Consultative Council on multiculturalism would be released in the near future. Would the minister indicate to the House when the report will be published and whether he intends to table it in the House?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the report is at the printers now. I am hoping it will be ready the latter part of June or mid-June and at that time I will be pleased to table it.

SUPPLY AND SERVICES

POSSIBLE USE BY GOVERNMENT OF PRIVATE MAIL DELIVERY SERVICES—REQUEST FOR STATEMENT OF COST

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I have a question for the Minister of Supply and Services. Would the minister say whether the government of Canada is utilizing private mail delivery services in this country and, if so, why and at what cost?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I do not know whether the services being used are in any way competitive with the postal service. I am sure that such is not the case, but I shall surely inquire into the matter and submit an answer to the hon. member.

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[*English*]

CONSUMER AFFAIRS

ALLEGED MISLEADING ADVERTISING BY POST OFFICE—GOVERNMENT ACTION

Mr. Peter C. Bawden (Calgary South): A supplementary question, Mr. Speaker, which I will direct to the Minister of Consumer and Corporate Affairs. In view of the fact that the Post Office is still in a shambles, would the minister say why he is not fulfilling his responsibilities to the Canadian people by preventing further misleading advertising that assures Canadians of next day delivery, which is not true and does not work?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the hon. member has some direct complaint about publicity seen or heard by him yesterday, he could submit such a complaint to me and I shall be glad to study it. But, in my opinion, he has not witnessed such publicity in recent days.

[*English*]

Mr. Bawden: A final supplementary question, Mr. Speaker. The minister knows very well that the mail service in this country is not meeting the statements contained in advertising being presented right across Canada. I should like to know why the minister is not taking steps to do something about it, and why he has one set of rules for the government of Canada and another set of rules for business and other Canadians?

[*Translation*]

Mr. Ouellet: For two reasons, Mr. Speaker. First, I fully trust the present Postmaster General, who will surely find a way to settle the conflict. Second, I have not witnessed such publicity in the past few days and I challenge the hon. member to submit to me such publicity if he has witnessed it recently.

[*English*]

IMMIGRATION

USE OF LAW ENFORCEMENT INTELLIGENCE UNIT—REQUEST FOR REPORT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, last Tuesday the Minister of Manpower and Immigration took as notice a question that I asked him in regard to allegations by some police forces in the

United States of improper conduct on the part of the Law Enforcement Intelligence Unit, a police co-operative. Can the minister now report to the House?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have an annual membership in this particular group for which we pay $30. As the hon. member knows, our immigration policy is global in scope and we do subject people who are seeking permanent residence in Canada to character and background checks. We have been members of this organization but I am not familiar with its style of operation. It is rarely used and we are examining continuation of membership in it at the present time.

Mr. Beatty: A supplementary question. The question I asked the minister last week was whether or not he could assure the House that allegations made by some United States police forces of improper activity on the part of the LEIU were in fact incorrect. Secondly, may I ask the minister why his department feels it is necessary to belong to a police co-operative to gain information of possible criminal activities by individuals as opposed to relying on the policing ability of the RCMP to supply that information?

Mr. Andras: Mr. Speaker, we do not conduct surveillance in other countries, but we do rely on the exchange with friendly nations of information of a police nature. As for the particular organization to which the hon. member referred, I indicated that we are taking a look at it. I was not aware of these allegations until I heard them the other day. I am not even sure whether they are true. Our examination of the matter will involve checking the validity of the allegations or otherwise.

* * *

● (1440)

ROYAL CANADIAN MOUNTED POLICE

REASON FORCE DOES NOT BELONG TO LAW ENFORCEMENT INTELLIGENCE UNIT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a final supplementary question for the Solicitor General. If the services provided by the LEIU in terms of providing police information on individuals who might be involved in crimes is as important as appears to be the case as far as the Department of Manpower and Immigration is concerned, why does the RCMP not belong to the organization instead of relying upon the Department of Manpower and Immigration to supply information generated by the LEIU for the RCMP when that information originates with police forces across North America?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not know whether this organization provides the information in the manner described by the hon. member, but the RCMP obtains its information with regard to criminal activities from police forces in other countries and not from private organizations.

Mr. Beatty: One of the officials said they did.

ADMINISTRATION OF JUSTICE

ALLEGED ILLEGAL DISBURSEMENT OF FUNDS BY CHAIRMAN OF CANADIAN LIVESTOCK FEED BOARD—GOVERNMENT POSITION

Mr. Ron Huntington (Capilano): Mr. Speaker, in Belleville the right hon. Prime Minister was reported as agreeing that Dr. Morgentaler was a fine humanitarian, and quoted as follows:

I have known him for 20 years. The point is that he deliberately broke the law. When a man deliberately does this he can't complain about being put in jail.

If this reporting is correct, I should like to ask the Prime Minister whether the same logic and justice should not apply to the minister responsible and the Chairman of the Canadian Livestock Feed Board who were examined under paragraph 38 of the Auditor General's report and found to have deliberately disbursed $822,000 from their funds after being advised they had no legal authority to do so?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I fail to see, first of all, that the Prime Minister could be expected to have that information at his fingertips and, even if he did, how he could give that information without expressing a legal opinion on a matter outside his jurisdiction.

* * *

ENERGY

OIL—PROPOSED INTERNATIONAL FLOOR PRICE—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, in view of the fact that the International Energy Agency is meeting tomorrow and one of the items on the agenda for discussion is a floor price for world oil, could the Prime Minister indicate what position Canada is taking? Are we supporting the proposition that there should be an international floor price for oil established?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think we would like to see such a price established, but we are not very hopeful about the possibility. The minister at the meeting will be trying to respond to other governments' positions and come back to this government with a reference to see if we want to take any steps in Canada. I would just remind the hon. member that we have, of course, had an administered price in Canada now for a year and a half, and in that sense it is not contrary to government thinking to have a certain price for oil, but whether this is the kind of result we can get in Paris is something I cannot predict.

Mr. Gillies: Mr. Speaker, I would again ask the right hon. Prime Minister whether the minister in Paris is putting forward any specific figure as being the price that Canada thinks might be acceptable as the floor price for oil on the international market?

Mr. Trudeau: Mr. Speaker, we have talked about figures in Cabinet but the minister will not put any binding

commitment of the government to that meeting. He will explore the positions of other governments.

* * *

THE BUDGET

REASON FOR DELAY IN PRESENTATION

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I have a question for the Minister of Finance regarding the advice he is getting. In light of the fact that the financial and economic police program of the Department of Finance has a budget in excess of $16 million and employs almost 700 people, will the minister explain why his department cannot provide him with sufficient advice and data for an earlier budget, and why he has to wait for the GNP figures at the end of the month?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did not give as a reason for delaying the budget the fact of having to wait for GNP figures. I spelled out the reasons in full for the hon. member for York-Simcoe on Friday.

Mr. Saltsman: Mr. Speaker, could the minister explain why the budget is being delayed to that date, because this does not give the country much time to consider its implications, and does not give parliament very much time for a budget debate?

An hon. Member: You have all summer.

Mr. Speaker: Order, please. My distinct impression is that the Minister of Finance just said he has already given an answer to the question as to why the budget will be coming down on June 23. If the hon. member has another supplementary question he might want to put it now.

* * *

THE CANADIAN ECONOMY

REQUEST FOR REPORT ON EFFECT OF INDUSTRIAL WAGES AND PRODUCTIVITY ON CANADA'S COMPETITIVE POSITION

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, is the Minister of Finance now in a position to present some information for which I asked him regarding wage increases in certain industries and their effect on our competitive position and productivity? He said he would table that information at the appropriate time. In view of the delayed budget and the relatively short period of time there will be to examine it, it would be very useful if the minister could present that information at an early date. Has he collected this information in respect of industrial wages, productivity and how this affects our competitive position, and will he make it available immediately?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to check my response to the hon. gentleman, as I do not think I gave him an undertaking to table that information. I will look at exactly what I did say. I think I said I would take his request under consideration, and I will still do that.

[Mr. Trudeau.]

REGIONAL ECONOMIC EXPANSION

REASON FOR REMOVAL OF FINANCIAL SUPPORT TO RURAL DEVELOPMENT COUNCIL OF PRINCE EDWARD ISLAND

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I regret that I was not able to give the Minister of Regional Economic Expansion notice of this question. Recently the financial support which was given jointly by the provincial and federal governments to the Rural Development Council of Prince Edward Island was removed. Was this done with the prior knowledge of the minister or at his request?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I can say quite specifically that it certainly was not with any prior personal knowledge. Whether there were any discussions with any of my officials I am not sure. I received two wires and a letter today making representations in this regard. They were on my desk when I arrived. I have asked that there be a thorough examination to let me know what the background is.

* * *

PUBLIC SERVICE

SHIP REPAIR UNIT—REQUEST FOR EQUAL PAY FOR EMPLOYEES IN ATLANTIC REGION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the President of the Treasury Board, or, in his absence, to the acting and I hope activated minister. It arises by reason of the fact that negotiations and conciliation proceedings have broken off between the board and the ship bargaining unit for Esquimalt and Halifax, as noted by the hon. member for Esquimalt-Saanich last Thursday. Since the strike vote will be taken June 3, and since the price spread is $1.05 per hour, will the acting minister or the minister try to hold at least that line for Atlantic workers who are very restive in respect of equal pay? I might indicate that the conciliator, Mr. O'Connor, agrees with me.

Hon. C. M. Drury (Minister of State for Science and Technology and Minister of Public Works): Mr. Speaker, while the views of the conciliator are not binding, the views of Mr. O'Connor are always taken into account.

* * *

REGIONAL ECONOMIC EXPANSION

REQUEST FOR STATEMENT ON NEGOTIATIONS WITH BRITISH COLUMBIA FOR PROJECTS

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, with the publication of the December and January list of accepted DREE offers, a check of which indicates none from British Columbia, would the Minister of Regional and Economic Expansion indicate the state of negotiations with the provincial government toward enlarging the areas in that province that are to be designated?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have already answered this question in part on a previous occasion. There are three or four areas of negotiation at the present time. One, as I recall, has to do with the infrastructure of Fort Nelson, and another has to do, not necessarily with a geographic designation but the designation of a particular industry or aspect of it, namely the forest industry in that part of the country. There are one or two others the government is putting forward, but I cannot give the hon. member a specific report on the status of these negotiations at the present time, other than that I have been told progress is being made.

Mr. Johnston: Mr. Speaker, in view of the apparent non-acceptance of applications from that province, could the minister indicate whether, during the negotiations with British Columbia, more stringent criteria have been set for acceptance than for those agreements signed with other provinces?

Mr. Jamieson: Mr. Speaker, I am afraid I cannot really give the hon. member an answer on that today because I do not know just how far the talks have progressed at the official level in terms of what the British Columbia government wishes to put into the agreement, but I will make inquiries and hopefully will be able to give a progress report within a short time.

* * *

● (1450)

NATIONAL PARKS

ST. LAWRENCE ISLANDS—REQUEST FOR CONFIRMATION OF EXPENDITURE ON EXPANSION AND IMPROVEMENT

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development arising from his most welcome illustration in an Ottawa address on Saturday night that the government has finally decided to accept certain representations from my constituency. I should like to ask the minister whether he is prepared to confirm to the House that $30 million will be spent on expanding and improving the St. Lawrence Islands National Park located primarily in the constituency of Leeds and partly in Kingston and the Islands.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): That is correct, Mr. Speaker.

* * *

INDIAN AFFAIRS

SETTLEMENT OF LAND CLAIMS IN BRITISH COLUMBIA—RELATIONSHIP TO DISCONTINUANCE OF OFFICES AND SERVICES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, and may I tell him that it has nothing to do with the picture of him that was published in the Prince George *Citizen*. In light of the minister's statement in the House of Commons on May 14 to the effect that that he is prepared to close and phase out the offices and services of his department in areas where native leaders and their people consider it in their interest to do so, can the minister inform the House how he is responding to demands from the Union of British Columbia Indian Chiefs for immediate action on the cutoff land question and land claims and their determination not to accept any further services from his department's offices in British Columbia?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, basically we have supported for some time now the position of the Indian people of British Columbia and, more particularly, the position of the Union of B.C. Chiefs vis-à-vis cut-off lands. We feel that so far as this matter is concerned the ball is in the court of the provincial government in Victoria.

Mr. Oberle: In light of that, is the minister prepared to phase out the many offices and costly services in British Columbia which the native people there consider to be the major hurdle standing in their way to settling their land claims and to self-determination in areas of cultural, social and economic development?

Mr. Buchanan: We are certainly prepared to discuss this aspect. I do not accept the suggestion that there is a high correlation between that and the settlement of either cut-off lands or the broader land claims question. I think these are two clearly separate items.

* * *

AIR TRANSPORT

SUGGESTED RECONSIDERATION OF DIVISION OF TRAFFIC BETWEEN AIR CANADA AND CP AIR AND POSITION OF AIR CANADA IN NEW TRANSPORTATION POLICY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct my question to the Minister of Transport. However, in his absence perhaps I may direct it to the acting minister or to the parliamentary secretary. Since it has been revealed by Professor Myron Gordon of the University of Toronto in the recent CTC hearings that Air Canada's operation is significantly less efficient than that of CP Air, in spite of the restrictions imposed upon CP Air's transportation policy, can the acting minister say if the government is giving any consideration to reviewing the existing national transcontinental policy which restricts the air capacity of CP Air to 25 per cent of the traffic, so that the beneficiaries in this case might be the passengers who might get a more equitable air fare structure?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, of course the minister may be considering this matter within the department, but to the best of my knowledge no change has been made or is contemplated with regard to the transcontinental policy. I have not seen the statements of the professor to whom the hon. member referred, but perhaps it is because the CP structure is less complex than that of Air Canada that he was able to reach the conclusion he did.

Mr. Mazankowski: In light of the fact that the evidence that has been documented by Professor Gordon cites a number of inefficiencies—evidence that has been well documented—and that, as he points out, there is no evidence that Air Canada is being saddled with uneconomic routes or low fares, can the minister advise the House whether this matter will be taken into consideration during the total review of the transportation policy, in this case the national air transportation policy?

Mr. Jamieson: Yes, Mr. Speaker, I can assure the hon. member that that is the case. Indeed, some such general discussions have already taken place at the cabinet committee level of one kind or another and in various official groups.

* * *

OLYMPIC GAMES

DISTRIBUTION OF TICKETS—SUGGESTED RE-EXAMINATION OF SYSTEM

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the fact that the 1976 Olympics is an event of enormous national interest and importance, and in view of the fact that my constituents must travel 800 miles to Vancouver and back to place their orders and subsequently travel another 800 miles to pick up their tickets, will the minister assure the House that this asinine situation will be sensibly resolved, or are the people of Kootenay West second class citizens?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not think there are any more second class citizens in the hon. member's constituency than in others. If he wants to ask the question to my colleague the President of the Treasury Board or to the Postmaster General, I am sure one or the other will take it as notice and will see with the Olympics authorities what can be done to correct the deficiency mentioned by the hon. member.

[*English*]

Mr. Brisco: My supplementary question is directed to the Postmaster General. Can he advise the House whether or not any re-examination is presently being conducted of the system, according to which citizens of Canada can obtain tickets to the Olympics in 1976 without driving some 400 to 800 miles, whatever the case may be? Right now the situation is completely ridiculous and out of hand.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, I am responsible for coins and stamps. Nevertheless, I will contact COJO today and try to get a more detailed explanation of precisely how people in that situation should obtain their tickets without suffering the inconvenience described by the hon. member.

[Mr. Jamieson.]

CANADIAN WARPLANE HERITAGE ASSOCIATION

NEGOTIATIONS FOR PURCHASE OF HANGAR AT MOUNT HOPE—GOVERNMENT POSITION

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Public Works and it concerns the Canadian Warplane Heritage Association. Is the department sincere in its desire to ask this benevolent association to purchase a very aged hangar at Mount Hope or to negotiate some other kind of deal?

Hon. C. M. Drury (Minister of Public Works): Mr. Speaker, as to the sincerity of the department, I can only reiterate the general understanding. Whether one can negotiate a special deal for this particular group, I think really this is still an open question.

* * *

INQUIRY OF THE MINISTRY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister. Can he announce at this time or give any indication as to whom he will be appointing as the next lieutenant governor of Manitoba?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

INDIAN AFFAIRS

REQUEST FOR MEETINGS WITH SASKATCHEWAN FEDERATION OF INDIANS ON LOCAL GOVERNMENT GUIDELINES

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Last Wednesday, in response to a question on guidelines by the hon. member for Cape Breton-The Sydneys, the minister indicated he would arrange for consultation between senior officials from his office and the presidents and band chiefs in Nova Scotia. In view of the fact that the Saskatchewan Federation of Indians has expressed similar concern about the guidelines respecting local autonomy, will the minister give the same assurance to the native people of Saskatchewan and will he meet with the native leaders of that province?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is my understanding that there have been offers of similar meetings made to the Indian people of Saskatchewan. At the most recent one, although they were reluctant to meet with the acting director in that province—this creates problems. But I understand that discussions have been going on with some of the people at the band level. Of course, personally I have met them on several occasions, not on the guidelines but on other matters, and I am always happy to meet with the representatives of the Federation of Saskatchewan Indians.

REQUEST FOR ASSURANCE BAND FUNDING NOT CONDITIONAL ON ACCEPTANCE OF LOCAL GOVERNMENT GUIDELINES

Mr. Doug Neil (Moose Jaw): Since the minister indicated previously that the guidelines are of an interim nature, will he assure the House that until such time as consultation has taken place there will be no interruption in band funding, and will he also assure the House that band funding during this period will not be conditional upon the acceptance of guidelines?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): We have indicated that the guidelines which have been proclaimed will be going into force, but we are prepared, prior to the beginning of the next fiscal year, to discuss them and alter them if that seems the prudent course. We have indicated they are in effect. As to the other ones which have not yet been put in place, we are prepared to hear representations on them before they come into effect.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. STEVENS; MR. KAPLAN—PROCEDURE FOLLOWED IN STANDING COMMITTEE—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. On Friday, May 16, 1975, the hon. member for York-Simcoe (Mr. Stevens) raised a question of privilege questioning the actions of hon. members in leaving one of the standing committees, and in turn questioning the action of the chairman of the Standing Committee on Finance, Trade and Economic Affairs in allowing a minister to speak on the subject, during which time hon. members left the meeting, and thereafter refusing to put a question because of lack of quorum.

● (1500)

I indicated at the time of hearing the hon. member for York-Simcoe that my preliminary inclination was to re-emphasize that the Chair would not sit in appeal of decisions which have taken place in a standing committee. However, because of the raising of this very interesting point I undertook to re-examine the precedents. I have done so and I cannot find any ground which should cause me to change my mind or to recommend to the House a change in that practice.

I might say, secondly, that the hon. member for York Centre (Mr. Kaplan), who was at the time of the hon. member's complaint the chairman of that committee and still is, but who has declined to act for an interim period pending the resolution of these matters, on the following day raised a question of privilege which took exception to the language of the hon. member for York-Simcoe in describing the actions of the chairman as being part of an obstruction of the work of the committee.

In respect of the word "obstruction", several meanings have been ascribed to it. One does not have to examine the precedents. It is not an infrequent occurrence in this

House that one side refers to the actions of the other side as being an obstruction of one kind or another, so much so that on one occasion where precedent does provide some assistance the use of the word "obstruction" in respect of an individual and specific member was found to be not out of order—and I cite page 419 of May's eighteenth edition.

There cannot be much doubt, however, that the role of a chairman is considerably different in some respects, and because of the special connotation where the work of a chairman of a standing committee is involved, and because of the acceptable principle of refraining from commenting on the actions of the chairman, it may well be that that particular term if examined carefully could be an impropriety in respect of a description of the actions of a chairman. The traditional means, of course, for examining that conduct would be, first of all, by appealing the ruling of the chairman or his conduct to the committee as a whole, by requesting that the committee make a report on the incident, or raise a debate on a motion of censure by any member. Perhaps fortunately for the Chair, I do not feel a case has been put which causes me to decide that, because when the hon. member for York Centre raised that complaint originally, he sought at the conclusion of his alleged point of privilege a remedy when he said as follows:

> That the question of my chairmanship ruling as to a quorum in the Standing Committee on Finance, Trade and Economic Affairs, as referred to by the hon. member for York-Simcoe in *Hansard* on May 20, 1975, be referred to the Standing Committee on Privileges and Elections.

In other words, the remedy sought by the hon. member for York Centre in raising his question of privilege initially was that his decision or handling of the matter be reviewed by the Standing Committee on Privileges and Elections—not the allegation of an hon. member in the committee. It may seem a technical point, but I hope it is not taken that way. The fact of the matter is that it seems to me the question of privilege raised by the hon. member for York-Simcoe is invalid from a procedural point of view because, once again, it relates to proceedings in a standing committee.

The subsequent question of privilege raised by the hon. member for York Centre is equally invalid because although the problem may have had some validity—I will not decide that at the moment—it seems to me that a different remedy ought to apply than to the question raised by the hon. member for York-Simcoe. In that case, both hon. members made subsequent representations in the House and it would appear that both recognized the inherent difficulty in his own case and endeavoured to remedy it with a subsequent representation each in his own way: the hon. member for York-Simcoe by endeavouring the following day to accomplish by consent that which in my opinion could not be accomplished by his original point; and the hon. member for York Centre, on Friday, by seeking to attach to his original complaint the remedy which might have been more appropriate to it in the first instance.

In any case, I can only reiterate—I think I ought to observe this in setting aside both alleged questions of privilege—that by permitting the hon. member for York-Simcoe to proceed, as I have on several occasions already in this session, by permitting a member to go on initially with an alleged question of privilege concerning events in

a standing committee, we are only inviting difficulty. It is a well established practice of this House—and one which recommends itself, upon reflection—that events which take place in a standing committee cannot only be questioned there in the manner in which I have cited, but also in other ways, and that this Chair ought not to sit as a court of appeal in respect of the proceedings in standing committees.

Some hon. Members: Hear, hear!

Mr. Speaker: I therefore simply indicate that, this difficulty having arisen on both sides by first permitting the hon. member for York-Simcoe to establish this question of non-privilege and to speak for some time provoked responses from the other side, and in fairness it seemed to be desirable that in that situation the Chair should allow equal comment from both sides notwithstanding the fact that the Chair is firmly of the opinion that no question of privilege exists.

Accordingly, it seems to be the proper course in the future to insist that when questions of privilege are to be raised concerning events in standing committees, the notice must contain some singular feature which takes it out of the general area of the proceedings in standing committees, otherwise the Chair ought not to allow the member to raise his question in the House at all.

Finally, I will make two other observations. First, both members at one time or another suggested that the Standing Committee on Privileges and Elections ought to have these questions referred to it, which to me would seem to establish a precedent and initiate or encourage a practice whereby the Standing Committee on Privileges and Elections would become some kind of court of appeal on the proceedings of other standing committees. It seems to me that nothing could be more unacceptable as a practice and should be more directly discouraged.

I will conclude simply by saying that if either hon. member feels that the grievance he has put forward, and which I feel compelled to set aside is still of sufficient strength that it ought to be dealt with further, the remedy of a substantive motion of censure by either member still remains, although it certainly seems to the Chair at this moment that the matter has had a pretty full airing.

Mr. McGrath: Mr. Speaker, I rise on a point of order because the Minister of Agriculture is about to leave the House and during the course of the question period he agreed to table certain documents with regard to the question I directed to him. I rise now to alert the minister to the fact that he will have an opportunity on the next order, or after that when tabling of documents is called, and I hope he will table these documents.

Mr. Whelan: Mr. Speaker, I did not say when I would table them. I will put them in proper order and proper perspective. Some of them are in the form of notes. I will put them in proper form and I hope to table them tomorrow.

[Mr. Speaker.]

[*Translation*]

AGRICULTURE

Sixth and seventh reports of Standing Committee on Agriculture, in both official languages—Mr. Smith (Saint-Jean).

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

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MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

Hon. Otto E. Lang (for the Minister of Transport) moved for leave to introduce Bill C-61, to provide a maritime code for Canada, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential or related provisions.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,227, 1,832, 1,921, 1,987, 2,080, 2,092, 2,119, 2,176, 2,226, 2,235, 2,236, 2,260, 2,263, 2,272 and 2,283.

Mr. Speaker, if question No. 1,162 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,443?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

PRIME MINISTER'S CADILLAC

Question No. 1,227—**Mr. Cossitt:**

1. With reference to the purchase from public funds of a second armoured Cadillac automobile for the Prime Minister and to the Prime Minister's subsequent statement that the purchase was made at RCMP insistance (a) what are the names and positions of any and all members of the RCMP who played any part whatsoever in such insistance (b) on what date and by whom in the RCMP was the final decision made to insist on such a purchase (c) on what date and by whom was such insistance conveyed to the Prime Minister (d) what part, if any, did the Solicitor General have in this entire process (e) on what date and by whom were instructions given to the Department of Supply and Services to proceed with the purchase of the car?

2. If the RCMP did not insist on such a purchase, for what reason did the Prime Minister state otherwise?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Ministry of the Solicitor General

(Royal Canadian Mounted Police) and the Prime Minister's and Privy Council offices as follows: The purchase of the 1974 vehicle was part of the original plan to have one vehicle for the protection of the Prime Minister and the second to be available for backup purposes when the first car is being serviced or repaired, and also for security of V.I.P.'s during state visits. When he was made aware of the plan, the Prime Minister insisted that the second vehicle not be bought until the matter be reconsidered by the R.C.M.P. and a written recommendation be made by the R.C.M.P. Such a recommendation was made by memorandum referred to below. In this light, the word "insistance" has been interpreted to mean "strong recommendation", and part 1 of the question has been answered in this vein. 1. (a) It is contrary to constitutional principles to identify individual public servants in matters of this kind. There were five officers of the R.C.M.P., involving the then commissioner, involved. (b) Following financial approval by Treasury Board, the then commissioner approved the purchase on May 4, 1974. (c) Privy Council was advised by the Director of Protective Policing in a memorandum dated November 7, 1973. (d) The Royal Canadian Mounted Police's recommendation to approve in principle the purchase of a second armoured limousine to provide security to the Prime Minister and visiting heads of state was approved by the Solicitor General and submitted to Treasury Board for financial approval on March 8, 1973. (e) The officer in charge, Material Management Branch, Royal Canadian Mounted Police, advised the Department of Supply and Services by memorandum dated July 23, 1973.

2. See reply to part 1.

IMMIGRATION OFFICES

Question No. 1,832—Mr. Friesen:

1. How many immigrant recruitment offices are there in (a) England (b) Germany (c) France (d) Italy (e) Greece (f) India (g) Hong Kong (h) Chad (i) the countries of South America (j) Haïti (k) Martinique?

2. In each such country, what was the cost of operating the offices in the years (a) 1970 (b) 1971 (c) 1972 (d) 1973 (e) 1974?

3. In each such country, what is the approximate cost per immigrant for the operation of the offices?

4. Of those immigrants coming from West Africa, Martinique, and Haïti, how many applicants chose as their point of destination (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) New Brunswick (h) Nova Scotia (i) Prince Edward Island (j) Newfoundland (k) the Yukon (l) the Northwest Territories?

Hon. Robert K. Andras (Minister of Manpower and Immigration):

(1) Country	Number of Canada Manpower and Immigration Offices	(2) Cost of Operating Offices (a)					(3) Approximate Cost Per Immigrant*				
		1970–71	1971–72	1972–73	1973–74	1974–75(e)	1970–71	1971–72	1972–73	1973–74	1974–75(e)
England	3	$749,500	$528,000	$481,500	$364,500	$438,000	$ 35.67	$ 52.69	$ 39.24	$ 16.44	$ 12.69
Germany	4	443,000	313,000	260,000	201,500	200,000	87.41	140.29	134.78	74.68	46.21
France	3	364,000	360,500	279,500	226,000	204,500	138.13	155.25	117.73	62.39	31.80
Italy	2	469,500	235,500	213,500	154,000	113,500	57.49	47.77	53.91	26.27	15.36
Greece	1	147,500	108,500	111,500	93,000	91,000	31.98	35.65	41.29	24.34	25.99
India	1	166,000	94,500	121,500	85,000	104,500	31.70	29.43	37.88	15.66	10.14
Hong Kong	1	370,500	199,500	237,000	183,000	191,000	61.06	39.41	37.68	14.59	17.27
Chad	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South America	3	N/A	13,000	32,000	116,000	110,500	N/A	N/A	37.42	65.38	36.37
Haiti	1	N/A	N/A	N/A	N/A	23,500	N/A	N/A	N/A	N/A	8.55
Martinique	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(a) Costs include only those chargeable to Immigration Vote 15. Costs paid by Department of External Affairs such as locally engaged staff (since 1971–72) and accommodation, etc., (since 1972–73) are not known.

(e) Estimate

*Approximate cost per immigrant visa issued

(4) Country of last permanent residence and stated destination.

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Y. and N.W.T.	Total
1970												
*West Africa	10	—	12	9	68	136	20	5	20	20	—	286
Martinique	—	—	—	—	14	1	—	—	—	—	—	15
Haiti	—	—	—	2	794	32	6	—	1	3	—	838
1971												
*West Africa	2	—	10	3	55	164	15	2	11	18	—	280
Martinique	—	—	—	—	11	1	—	—	—	—	—	12
Haiti	—	—	1	6	936	40	2	—	4	—	—	989
1972												
*West Africa	4	—	7	3	74	141	9	8	32	11	—	289
Martinique	—	—	—	—	11	1	—	—	—	—	—	12
Haiti	—	—	—	6	884	41	2	1	1	1	—	936
1973												
*West Africa	2	—	16	5	99	492	25	10	60	52	—	761
Martinique	—	—	—	—	22	1	1	—	—	—	—	24
Haiti	—	—	—	4	2,109	56	7	—	2	—	—	2,178
1974 (first 9 months)												
*West Africa	8	—	7	6	407	873	43	8	54	180	—	1,586
Martinique	—	—	—	—	18	—	—	—	—	—	—	18
Haiti	—	—	—	10	3,458	87	1	—	8	3	—	3,567

*West Africa includes the following countries; Spanish Sahara, Mauritania, Senegal, Guinea-Portuguese, Guinea, Sierra-Leone, Liberia, Ivory Coast, Ghana, Togo, Dahomey, Nigeria, Cameroon, Equatorial Guinea, Gabon, Congo (Republic of) Gambia, Angola, Zaire, Central African Republic, Chad, Niger, Upper Volta, and Mali.

Order Paper Questions

CANADA PENSION PLAN ADVISORY COMMITTEE—
APPOINTMENT OF CHARLES GUAGLIANO

Question No. 1,921—**Mr. Cossitt:**

1. On what date was Mr. Charles Guagliano of Hamilton, Ontario appointed to the Canada Pension Plan Advisory Committee and what were all his qualifications for this position?

2. Was the appointment announced in a press release dated April 27, 1972 by the Minister of National Health and Welfare at the time?

3. What fees and expense allowances are paid to members of the Canada Pension Plan Advisory Committee?

4. (a) Was Mr. Guagliano's term of office to expire in October 1975 (b) did he resign on or about December 19, 1974 and, if so (i) was his resignation requested (ii) by whom (iii) for what reason (c) what were the reasons for his resignation?

5. Is the government aware of any charges against Mr. Guagliano under the Criminal Code of Canada, and, if so (a) what are such charges (b) on what date were they laid?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Mr. Charles Guagliano of Hamilton, Ontario was appointed to the Canada Pension Plan Advisory Committee on April 13, 1972. The Canada Pension Plan statute directs that the advisory committee is to be composed of members who represent "employees, employers, self-employed persons and the public". Mr. Guagliano's long-standing association with the Brotherhood of Carpenters and Joiners was regarded as appropriate background for him to speak as an "employees" representative.

2. Yes.

3. A member of the Canada Pension Plan Advisory Committee is entitled to a per diem allowance of $100 a day for each day that he attends a committee meeting, and is also entitled to be re-imbursed for the reasonable travelling and living expenses incurred in the course of committee duties.

4. (a) Yes. (b) Yes. (i) Mr. Guagliano resigned on his own initiative. (ii) Not applicable. (iii) Not applicable. (c) No reasons were given.

CONTRACTOR OF COMPUTER SPARES

Question No. 1,987—**Mr. Reynolds:**

1. Was a contract awarded April 2, 1974 for a quantity of spare parts from Litton Systems Ltd., Rexdale, Ontario for a total dollar amount of $595,154?

2. On which department's behalf was the contract awarded?

3. For what computer system are the spare parts used?

4. How old is the computer system?

5. What is the expected length of time the computer is to be used in terms of years?

6. Have any of the spare parts been used?

7. Is it the policy of departments such as the Department of Supply and Services to always have spare parts in inventory for their computer systems?

8. Would it be more economically sound to order parts when their necessity is visible?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and National Defence as follows: 1. Yes, however the contract was dated March 8, 1974; the news release of the award of contract was dated April 2, 1974.

2. Department of National Defence.

3. AN/USQ 501 (v) installed on DND ships.

[Mr. Andras.]

4. The first system was installed aboard a ship in 1972.

5. Approximately 20 to 25 years.

6. Yes.

7. The Department of Supply and Services does not stock spare parts in its inventory to support computer system bought on behalf of other departments and agencies. It is the policy of the Department of National Defence to acquire some spare parts to ensure the operation of its equipment.

8. Not in some cases. The computer is essential to the operation of the ship and the ordering of some essential parts only after a failure had occurred could seriously affect operational ability.

OLYMPICS 1976

Question No. 2,080—**Mr. Saltsman:**

1. In regard to the apparent lack of enthusiasm for athletic training for the Olympics, is the government prepared to make a full commitment to assist in preparing Canadians for participation in the Olympics?

2. Will there be a statement from the Prime Minister pledging full Cabinet and government support of our Olympic athletes?

3. Will there be funding for a programme of information and publicity designed to make Canadians more aware of the accomplishments of their Olympic and international athletes?

4. Will there be (a) part-time jobs for athletes near their training sites to help them defray their expenses (b) permission for time away from their jobs to get the competition necessary to ensure peak performance at the Olympics (c) increased financial contributions to the Canadian Olympic Association's olympic trust?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of National Health and Welfare and the Prime Minister's and Privy Council Offices follows: 1. As of March 19, 1973, the federal government committed itself to providing special assistance to national sport bodies who would be participating in the Winter and Summer Olympic Games in 1976. A unique partnership between the federal government, certain provincial governments, the Canadian Olympic Association and the Olympic Trust was formed in order to coordinate the public and private sector financing and planning for our international teams. This unique partnership is called the Game Plan Programme. In the first year of operation (1973-74) it spent $1.1 million, in 1974-75 it spent $1.8 million and is planning to spend close to $2.8 million in 1975-76. All of these funds are supplemental to the ongoing sport programmes these agencies support. The game plan support includes funds for national and international competitions, training camps, national coaches and other support staff, talent identification programmes, planning meetings, individual athlete support and many other items.

2. There in none anticipated.

3. At the meeting held on March 13 and 14, 1975, the sports coordinating committee of game plan approved a promotional programme with a budget of up to $100,000 per year as part of the Game Plan Programme. This promotion programme is being implemented co-operatively by the parties in game plan. The following information activities were proposed for 1975-76 in order to create a greater public awareness and knowledge of game plan

athletes and their accomplishments: periodic release to news media of Game Plan Programme and activity news; publication of athlete ratings; series of wire-story features on game plan athletes; publication of feature articles on game plan programmes and athletes; newsletters; brochures; COA luncheons; audio-visual materials; media athlete promotion; events promotion and coverage of pre-Olympic events, Pan-American Games, 1976 Winter Olympics, others, photographic distribution; coverage of eight Canadian national teams in Cuba.

4. The primary responsibility for finding part-time jobs for Olympic or other athletes remains in the first instance with the individuals themselves, their national sport bodies and the organizers of the national team programme in the local community. However, the federal government does assist by writing to employers on behalf of the athletes. In addition, the Fitness and Amateur Sport Branch has approached other federal agencies to request assistance in finding work or in releasing its employees to participate as athletes. In 1975-76, the Fitness and Amateur Sport Branch will provide close to $500,000 of athletic scholarships to approximately 300 athletes who are the game plan classified athletes, and who will represent Canada in the Winter and Summer Olympic Games. In addition to this, approximately $300,000 will be provided by the federal government and the other partners of game plan to defray individual training competition and salary expenses incurred by the athletes. Support to individuals represents approximately one-third of the Game Plan Programme. A small percentage of the proceeds of coins sold in Canada is being diverted to COA-Olympic Trust for supporting some of the activities mentioned above.

UIC—AMOUNT OF OVERPAYMENTS, 1972-74

Question No. 2,092—Mr. Fortin:

1. For each year 1972 to 1974, by province, what is the (a) number (b) amount of overpaid benefits paid by the Unemployment Insurance Commission?

2. By province, how many of such benefits were (a) recovered (i) entirely (ii) partially (b) cancelled or non-recoverable?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a)

Year	Atlantic	Quebec	Ontario	Prairie	Pacific
1972	19,215	*	51,522**	13,390**	22,791
1973	22,813	98,046	85,184	26,002	31,097
1974	26,937	106,314	84,033	28,968	36,911

(b)

Year	Atlantic	Quebec	Ontario	Prairie	Pacific
1972	$1,992,010	$ 8,010,658	$ 5,965,501**	$1,413,393	$2,722,546
1973	$2,736,453	$14,750,695	$10,492,867	$3,729,105	$3,691,107
1974	$3,737,300	$15,947,225	$10,574,759	$4,707,658	$4,682,502

Note: Data maintained by region only.
*Not available.
**Last three-quarters only.

2. (a)(i)

Year	Atlantic	Quebec	Ontario	Prairie	Pacific	Total
1972	*	*	*	*	*	$19,793,000
1973	$2,294,400	$11,847,500	$8,670,100	$3,214,200	$3,430,900	$29,457,100
1974	$2,525,400	$13,527,100	$9,148,400	$4,223,300	$3,842,100	$33,266,300

(ii) Not available.

(b)

Year	Atlantic	Quebec	Ontario	Prairie	Pacific	Total
1972	*	*	*	*	*	$ 525,400
1973	$192,000	$331,000	$344,500	$104,500	$ 92,000	$1,064,000
1974	$ 99,500	$627,600	$411,400	$ 78,400	$143,500	$1,360,400

Note: Data maintained by region only.
*Available in total only for 1972.

Order Paper Questions

STUDIES ON 1968 FEDERAL GENERAL ELECTION CAMPAIGN

Question No. 2,119—**Mr. Coates:**

1. Since 1968, how much money has been allocated by the government to the Canada Council in the form of social science grants?

2. Of this amount, what was the total allocated to study the 1968 general election campaign?

3. (a) How many studies are being conducted on the 1968 general election campaign (b) how many have been completed (i) by whom (ii) at what cost for each (c) how many have not been completed (i) by whom are they being conducted (ii) to date, what is the cost of each (iii) on what date are they expected to be completed?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: 1. From 1968-69 to 1973-74, the Canada Council has received $163,455,000 in unconditional grants from the parliament of Canada. Of this amount, $24,221,000 have been awarded as research grants in the humanities and social sciences. (No separate statistics exist for the social sciences as distinct from the humanities).

2. No part of this amount was allocated to the study of the 1968 federal general election campaign.

NOTE: A sum of $397,556 has been granted since 1968 to Mr. John Meisel under the Canada Council's Killam program to study the role of parties and elections in the Canadian political system. The Killam awards are not funded out of government money, but out of a special trust fund established by the late Mrs. Dorothy J. Killam and administered by the Canada Council.

3. The Canada Council is not in a position to answer this question.

CONSUMER AND CORPORATE AFFAIRS—COMPLAINTS OF REFUSAL TO SUPPLY

Question No. 2,176—**Mr. Saltsman:**

1. How many complaints of refusal to deal have been made to the Department of Consumer and Corporate Affairs since the Department was formed?

2. What is the breakdown of such complaints by year of receipt?

3. How many such complaints were examined in detail by the Department including obtaining explanations from the party against whom the complaint was made?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): The information requested is not readily available in the format requested. However, for the six months period June through November, 1974 the answers are as follows: 1 and 2. Twenty-three complaints deal with refusal to supply.

[Mr. Andras.]

3. Ten of the complaints were examined in detail by the department and in four of these, explanations were obtained from the parties against whom the complaints were made.

REVIEW OF DRUG SUBMISSIONS

Question No. 2,226—**Mr. Herbert:**

1. Does the Health Protection Branch of the Department of National Health and Welfare always adhere to the 120 day schedule for the review of drug submissions and, if not, for what reason?

2. How many submissions have had the reviews delayed in the past year?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The Health Protection Branch of the Department of National Health and Welfare has not always been able to adhere to the 120 day time limit for the review of drug submissions. The delay in responding is due to the increasing number of submissions received, the increased volume of data with each submission and the increasing complexity of the information contained in the submissions.

2. From April 1, 1974 to March 31, 1975, there were 485 New Drug Submissions and Supplemental New Drug Submissions on drugs for human use reviewed. Of these, 126 or 26.0 per cent exceeded the 120 day limit. While there is no statutory time limit for Investigational New Drug Submissions, a total of 342 on drugs for human use were evaluated during the same fiscal year. Of these, 63 or 18.4 per cent exceeded 120 days for a response. With regard to drugs for veterinary use, 186 New Drug Submissions and Supplemental New Drug Submissions were reviewed during the same fiscal year. Of these, 59 or 31.7 per cent exceeded the 120 day limit. While again there is no statutory time limit for Investigational New Drug Submissions of drugs for veterinary use, a total of 21 were received. Of these, four or 19.0 per cent exceeded 120 days for a response.

CBC—PROVINCIAL POLITICAL BROADCASTS, EDMONTON, ALBERTA

Question No. 2,235—**Mr. Schumacher:**

1. During the period February 14 to March 26, 1975, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Edmonton A.M." programme aired by CBC in Edmonton, Alberta?

2. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Radio Noon" programme aired by CBC in Edmonton, Alberta?

3. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Larry Branter" programme aired by CBC in Edmonton, Alberta?

4. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Today Show" aired by CBC in Edmonton, Alberta?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (Edmonton a.m.) (a) and (b) February 17, Grant Notley, New Democratic Party, approximately 6 minutes; Lou Hyndman, Progressive Conservative, approximately 6 minutes; Nick Taylor, Liberal, approximately 6 minutes; Werner Schmidt, Social Credit, approximately 6 minutes; February 26, Fred Peacock, Progressive Conservative, approximately 6 minutes; March 10, William Yurko, Progressive Conservative, approximately 6 minutes; March 17, Donald Hoyda, Liberal, approximately 6 minutes; March 18, William Yurko, Progressive Conservative, approximately 6 minutes.

2. (Radio Noon), (a) and (b) None.

3. (Larry Branter), (a) and (b) None.

4. (Today Show), (a) and (b) March 20, Dave Russell, Progressive Conservative, approximately 7 minutes.

CBC—PROVINCIAL POLITICAL BROADCASTS, CALGARY, ALBERTA

Question No. 2,236—**Mr. Schumacher:**

1. During the period February 14 to March 26, 1975, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Calgary Eye-Opener" programme aired by CBC in Calgary, Alberta?

2. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Radio Noon" programme aired by CBC in Calgary, Alberta?

3. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Your Forum" programme aired by CBC in Calgary, Alberta?

4. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Barregar Calgary" aired by CBC in Calgary, Alberta?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (Calgary Eye-Opener): (a) and (b) March 4, Werner Schmidt, Social Credit, approximately 3 minutes; March 17, David Russell, Progressive Conservative, approximately 3 minutes; March 18, Bob Simpson, Social Credit, approximately 3 minutes; March 19, Paula Davies, New Democratic Party, approximately 3 minutes; March 20, Nick Taylor, Liberal, approximately 3 minutes; March 21, David Whitefield, Communist, approximately 3 minutes.

2. (Radio Noon): (a) and (b) February 19, 20, Nick Taylor, Liberal, approximately 8 minutes each; March 10, 11, 12, 13, Grant Notley, New Democratic Party, approximately 4 minutes each; March 21, R. Clark, Social Credit, approximately 15 minutes.

3. (Your Forum): (a) and (b) March 17, Ron Ghitter, Progressive Conservative, 45 minutes; March 18, Ralph Cameron and Art Dixon, Social Credit, 45 minutes; March 19, Joe Yanchula, New Democratic Party, 45 minutes; March 20, Nick Taylor, Liberal, 45 minutes; March 21, David Whitefield, Communist, 45 minutes.

4. (David Barregar's Calgary): (a) and (b) February 22, Nick Taylor, Liberal, 10 minutes; March 7, Bob Simpson, Social Credit, 10 minutes; Dorothy Groves, Liberal, 10 minutes; March 12, Werner Schmidt, Social Credit, 10 minutes; March 14, Grant Notley, New Democratic Party, 10 minutes; March 17, Roy Farran, Progressive Conservative, 10 minutes; Joan Ryan, New Democratic Party, 10 minutes.

CHEDDAR CHEESE PRODUCTION

Question No. 2,260—**Mr. Gauthier (Roberval):**

1. During the past three years, what was the Cheddar cheese production in (a) the Albert Perron Inc. cheese factory at Saint-Prime (b) the Dolbeau Ltd. dairy and cheese factory (c) the Saguenay-Lac-Saint-Jean Dairy Co-op Association?

2. In what category have inspectors of the Department of Agriculture classified the Cheddar cheese produced in these factories?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by Statistics Canada and Agriculture Canada as follows: 1. Statistics Canada reports that the Information being sought concerning the cheddar cheese production in the factories of Albert Perron Ltd., Dolbeau Ltd. and Saguenay-Lac-Saint Jean Dairy Co-op Association cannot be released due to the confidentiality restrictions of the Statistics Act (Section 16).

2. The specific results of grading at each plant is considered confidential information. However, the totals for the three plants are: 1974, per cent first grade, 67.18, per cent undergrade (2nd and 3rd), 32.82; 1973, per cent first grade, 91.15, per cent undergrade (2nd and 3rd), 8.85; 1972, per cent first grade, not available, per cent undergrade (2nd and 3rd), not available.

PURCHASE OF SUBURBAN WAGON FOR USE AT PICKERING AIRPORT SITE

Question No. 2,263—**Mr. Stevens:**

1. Did the government through the Department of Transport purchase a new 1975 Chevrolet Suburban Wagon from Robertson Chevrolet Oldsmobile with licence number D-32536 for use at the Pickering airport site and, if so (a) what was the total purchase price (b) did it include with the price paid in each case, such options as (i) a V8 engine (ii) a deluxe interior (iii) broadloom (iv) automatic transmission (v) two-tone special paint (vi) a radio (vii) power steering (viii) snow tires (ix) an extra spare?

2. For what reason was it felt necessary to purchase such a luxury class truck?

3. Have similar vehicles been purchased for use at the Pickering airport site and, if so (a) what are they (b) from whom were they purchased (c) at what price (d) for what reason?

Hon. Jean Marchand (Minister of Transport): 1. Yes (a) $7,190 list less trade-in $800 net $6,390. (b) (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii), Yes. (ix) No.

2. No luxury options were specified on the requisition for this vehicle. Vehicle purchased was the only suitable

vehicle which could be located at local dealers to meet the delivery date for site work during winter months.

3. No. (a), (b), (c) and (d) not applicable.

UIC—SUSPENSION OF SUPERVISORS AT TORONTO

Question No. 2,272—**Mr. Schumacher:**

1. Were any supervisors at the Toronto Unemployment Insurance Commission suspended for any reason during the period January 1, 1974 to date and, if so (a) by month, how many were suspended (b) for what reason in each case?

2. In each case, what was the length of the suspension and was it (a) with pay (b) without pay?

3. In each case, by month, what was the amount of salary paid to those suspended?

4. (a) At the conclusion of the suspension and in each case, were the individuals (i) returned to previous positions (ii) returned to other positions (iii) transferred from Toronto offices (iv) fired (b) did any of them receive a (i) demotion (ii) salary reduction and, if so, what was the nature of such demotion and the amount of salary reduction?

5. Did UIC refuse to disclose information concerning such suspensions to any Member of the Provincial Legislature and, if so (a) what was the name and position of the individual refusing the information (b) by what authority was it refused?

6. By each UIC office in Canada for the same period, were any other supervisory personnel suspended for any reasons and, if so, where were such individuals working at the time of suspension and in what capacity?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. No supervisors from the Toronto area of the Unemployment Insurance Commission were suspended for any reason during the period January 1, 1974 to date.

2. Not applicable.

3. Not applicable.

4. Not applicable.

5. Not applicable.

6. Vancouver Centre Office suspended 2 Supervisory Personnel working as service unit supervisors.

PUBLIC SERVICE—HIRING CRITERIA

Question No. 2,283—**Mr. Lachance:**

In the light of judicial decisions concerning hiring criteria in the Public Service, is there a research division in the PSC responsible for the submission of changes required in the Public Service Staff Relations Act?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: The Planning and Evaluation Directorate of the Commission's Staffing Branch has two divisions concerned with the matters raised: (1) The Personnel Psychology Division which is responsible for the development, modification and maintenance of all Selection Standards. (2) The Policies and Procedures Division which is responsible both for recommending new or revised policies and procedures and for responding to judicial decisions which may affect the Regulations or the Public Service Employment Act.

[Mr. Marchand (Langelier).]

*STORAGE OF BUTTER

Question No. 2,443—**Mr. Baker (Grenville-Carleton):**

1. Of the 49,215,000 pounds of butter in storage as of September 1, 1974, how much was produced in Canada?

2. Was any of this imported and, if so (a) for what reason was the government participating in a programme of importing butter (b) was this in excess of our needs (c) what effect did this have on the income of Canadian farmers?

3. How long can butter remain in storage and still be fit for human consumption?

4. What are the plans for eventual disposal of the butter now in storage?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows: 1. 42,715,000 pounds.

2. (a) Yes. Butter production in Canada was not sufficient to meet the demand. (b) No. Butter was imported only in quantities sufficient to meet the difference between domestic production and consumption. (c) None, for the reasons outlined under (a) and (b).

3. Butter stored in Cold Storage Warehouses remains fit for human consumption indefinitely.

4. Current stocks are being sold to meet domestic market requirements.

* * *

QUESTION PASSED AS ORDER FOR RETURN

LOANS TO COUNTRIES, 1965-1973

Question No. 1,162—**Mr. Gauthier (Roberval):**

1. For the years 1965 to 1973 inclusive, has Canada granted loans to some countries and, if so (a) to which countries (b) what was the value of such loans (c) what was the term (d) what was the prescribed interest rate?

2. What percentage of such loans come from (a) new estimates (b) the Consolidated Revenue Fund?

Return tabled.

● (1510)

Mr. McKenzie: I rise on a point of order, Mr. Speaker. On April 29 I placed two starred questions on the order paper, Nos. 2,407 and 2,408, regarding a question raised by the hon. member for Calgary South about the federal government hiring private mail contractors. The government has had over four weeks to file answers to these questions. I know that Statistics Canada hires private mail contractors in Manitoba, but I want to know how many other provinces are hiring private mail contractors. It is no secret that Batterton's Mail Service handles mail for the House of Commons, and I have a question in regard to that, No. 2,411.

I also have starred question No. 2,448 regarding the new rules and regulations covering bilingual packaging and the requirements under the Consumer Packaging and Labelling Act. The business community has been waiting for several months for these rules and regulations, and all we have had from the minister so far is a press release. Packaging establishments across Canada are concerned

about labelling. We would appreciate an answer as soon as possible.

Mr. Ouellet: Mr. Speaker, I signed the answer to the question today, and I expect the hon. member will have it by Wednesday.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Tuesday, May 20, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am happy to be taking part in this debate, for a number of reasons. One is that despite what certain newspapermen say, I have very high regard for the minister who is sponsoring the bill. That is not just because a while ago he graciously received from me a Kronberg T-shirt to mark the wonderful concert that is coming to Ottawa tomorrow, but because I think he is a well intentioned, thoughtful and, in the good sense of the word with a small "l", liberal person.

I am also pleased to be involved because I have always been a very ardent nationalist. My party, the oldest in Canada, in my opinion has always been at its best when espousing and acting upon nationalist causes. My great heroes in Canadian history are the great nationalists—people like Sir John A. Macdonald, who insisted that we be not a colony but a country; Sir Robert Borden, who insisted that we not only move on to the international scene as a full-fledged nation but that we take our responsibilities fully and proudly in the world community. He was unlike those who wanted to isolate themselves from the world and from other international organizations. He was the man who in 1916 thought that governors general of this country should be Canadian citizens. He was thought to be hopelessly ahead of his time, yet it has certainly been the case that the finest and greatest incumbents of that office have been men born in this country.

I think we are looking at ways to expand our Canadianism and buttress our nationalism in a very important aspect of life, namely, in publications, in the media. The communication of ideas and thoughts, of course, is the essence of any civilized society or co-ordinated community. I have always been disposed toward those organizations which help extend Canada's intellectual independence. Even with its thousands of faults, I like the CBC and when I am outside the country I miss it. I can even live with its great Toronto empire and all the emperors and praetorian guard that it has built into its headquarters. They are probably better paid than even Roman emperors paid their praetorian guards.

I think we have done more great things in this country through such organizations as the Canada council which has allowed Canadians of talent and ideas to be heard more clearly and read more widely by their fellow citizens. I might even say—despite my youthful appearance—that I remember such bodies as the humanities research council and the social science research council which did great things before the Canada Council began to pick up that major responsibility and important challenge.

This has always been a problem in Canada. It is as trite as it is truthful to say that Canada has been troubled about its identity. In problems social, in problems economic we obviously, because of our location, have had to be preoccupied with the assertion of our economic individuality, our political integrity and our cultural identity. Sometimes in the past it has been a grim, crude struggle for survival; in the later stages it has been a push for identity. In crude geo-political terms, I suppose we would not want to admit that at times our country existed at the sufferance of the United States. That phase, barring a nuclear conflict, which of course would make all those considerations academic or non-existent, is now past.

I think we have reached the stage where we need no longer worry about the bare fact of our cultural survival. We are here. The Dominion of Canada is. Canadians are. At this time, in 1975, we can assess our cultural and spiritual values with more realism, less frenzy, more careful thought and less blowing of uncertain trumpets.

The question of what to do about or with *Time* and *Reader's Digest* is not new. It was very much in the public domain before I entered this chamber 18 years ago. We have had many briefs, investigations in depth and at length, numerous recommendations, as well as abortive efforts to legislate curative measures.

I know it has been said that Bill C-58 is really not a *Time* and *Reader's Digest* bill. I suppose, strictly speaking, we must accept that. The major thrust of my remarks will deal with a publication which is neither *Time* nor *Reader's Digest* but which is gravely affected by this bill. In the public mind, however, this bill is about *Time* and *Reader's Digest*. Each of us knows, of course, that if it were not for those two compendia of the printed word in Canada, there would be no Bill C-58 before the House of Commons.

I think in the main the debate has been a serious and helpful discussion of a complex and difficult matter. It is difficult because it requires us to do more than look at the formal phrasing of the statute and, heaven knows, I cannot think of anything less interesting than legal language, if I may call it that.

● (1520)

Before we consider the clauses of the Bill we must assess and evaluate the social goals for the advance of which this bill is a mere vehicle. Debate on this measure has attained the level of the philosophical, as is proper. Recalling the adage that all comparisons are odious, I shall be careful in selecting my words. I read the minister's speech carefully. It contains thoughtful utterances and evidence of positive thinking. Some of its aspects

disturb me, although his colleague, the Minister of National Revenue (Mr. Basford), disturbed me even more when making his statement several months ago.

The chief spokesman for my party, the hon. member for Fundy-Royal (Mr. Fairweather), set the tone of this debate at a high level and rendered the proper discussion of this matter a great service. I also salute the valuable contribution made by the hon. member for Cochrane (Mr. Stewart). He and the hon. member for Vancouver-Kingsway (Mrs. Holt) merit the commendation of the House for speaking on this measure with such forthrightness and independence of thought. By saying that, I am not exuding the mean satisfaction of an opposition member because backbenchers on the government side or private members, to use the proper expression, have differed with the government. That they have differed I do not consider significant. I note that the newspapers paid them some attention, more for reasons of their deviation from the government line than for the forthrightness of their remarks and the value of their opinions.

All this underlines something serious. In this country, in this House, we are inclined to overvalue party solidarity and undervalue individual assessment, especially of measures such as the one now before the House. We must remember that neither the House of Commons nor the illustrious Senate run the country. The government runs the country. The members of the House of Commons must try to reflect the aspirations of the people they represent, and it is difficult to reflect those aspirations if on every issue they must indulge in partyism and uphold the party point of view. I have said many things for many years to which nobody listens.

Some hon. Members: No, no!

Mr. Macquarrie: We take too many votes in this House. Too many times do we stand up and vote, even though the results of the vote are a foregone conclusion. Far too often we consider an issue on party lines. I am convinced that if in a large room a lot of people are ostensibly thinking the same thing, you have a great many people who are not thinking at all. I suggest that we could improve our system if we looked on votes of confidence as rare occasions indeed and voted mush less frequently than we now do.

A good many years ago—I do not want to sound like a patriarch—we could appeal the Speaker's rulings. I remember when the deputy chairman of the committee of the whole made a ruling. One of my colleagues from my class—he is not here now—thought Mr. Rea was right and, in the appeal, wanted to support him. He was soon told that that kind of nonsense had best be forgotten because the party was appealing Mr. Rea's ruling. In other words, a matter of procedure became a matter of party policy. No one can tell me that makes for good legislation, good representation or good parliamentary performance.

Partyism, surely, has no place in the consideration of this measure, although I recognize that partyism is an integral part of parliamentary democracy. In looking at this bill we should ask: Is this the best method or even a good method for improving the nationalistic content of our intellectual lives? Is this the best way of obtaining certain goals we have in mind? To be simplistic, is it likely to advance a healthier Canadianism in the realm of publications? Or, as we must ask ourselves, is it likely to be an exercise in tokenism? Is this a measure which will make our nationalistic flags wave? Is it another exercise in Canadian nationalism, and is that of itself demonstrably a good thing? That gives rise to another question which one is reluctant to ask: Does it involve, perhaps ever so slightly, a slight case of anti-Americanism? One of the great luminaries of the University of Toronto, Professor Underhill—if as a McGill man I might mention that institution—used to say that Canadianism is often largely anti-Americanism. Perhaps we had best stop to think and reflect on that.

I said earlier that the part of the measure which troubles me most is that part to do with Canadian content. The minister told my colleague for Calgary North (Mr. Woolliams) that Canadian content has nothing to do with this bill. I see that he shakes his head affirmatively. I would love to be convinced by him but I am not, because I have treasured, cherished and held to my bosom the statements made by the Minister of National Revenue who talked about Canadian publications being 80 per cent different from the publications of United States parents. I foresee a difficult exercise in measurement. What kind of litmus paper will you use to measure that 80 per cent difference? Will the standard be eight maple leaves on every ten pages? I would be a bit leery about the imaginative conceptualism of our Canadian bureaucracy. I am told of one branch saying to a person 88½ years old that if he came back in 33½ years he could collect his old age pension. That was a bit ridiculous, but a bit less fatuous than measuring something as tenuous as an 80 per cent difference from a U.S. parent publication.

That little problem worries me. The present Minister of National Revenue may not be here forever, and when he is gone the difficulties might become even more horrendous—and they are pretty bad now. How do you measure Canadian content? How do you evaluate it? I have always been deeply troubled by the Canadian content provision. I do not know that Canada is made the stronger if someone rules that I ought to hear Gordon Sinclair on television instead of Alistair Cooke. I think we would do well to listen to Mr. Cooke. Since I am not a negative man, I will not dwell on the other aspect of the question. This is what the measure involves, although I know the bill does not say so. Remember, acts of parliament are passed to affect people.

I still think we must consider the question of freedom of choice. When I go to certain totalitarian countries, to their reading rooms or their railway stations or airports and read nothing but the party line, I long for the opportunity to go to a bookstore and pick up anything I like. I probably would glance through it and then put it down without buying it, being a Scot. However, I have noticed on my few occasions of travelling on aircraft that if you want to get *Time* magazine, you have to sit pretty close to where the stewardess starts delivering the magazines because that is the first one to go. This seems to indicate people like that magazine. I am going back to the days when Air Canada was very affluent and even gave you a magazine to read and newspapers to peruse.

● (1530)

I know that the people of Canada like *Reader's Digest*. I have had some of the most thoughtful letters from my constituents and other Canadians about *Reader's Digest*. I do not think it solves the story to say that it was a brilliant promotion job by Mr. Zimmerman. The letters I received indicated people had thought a good deal about this. One person wrote and said it is the only thing that is good bedtime reading. Some people have insomnia; they have the cares of the world on their shoulders and cannot get to sleep quickly. Sometimes they make the mistake of picking up a mystery and then cannot get to sleep. That is how I began reading Agatha Christie. This person who wrote to me said you can read one article in the *Reader's Digest* and not only remember it in the morning but go to sleep untroubled. People have a perfect right to like *Reader's Digest*. The same is true of *Time* magazine.

Another aspect is that this bill may injure publications that are of real value to Canadians. I am going to refer without hesitation or reservation to what I consider the finest newspaper in the world, the *Christian Science Monitor*. It has the finest international section. I am sure the Minister of Communications (Mr. Pelletier), a great newspaper man, will agree with me on this. It has topnotch articles. It has a most enlightened, highly trained cadre of journalists and reporters. It does not advertise tobacco, which is proper. It does not advertise alcohol, for which I will forgive it. In fact, it does not advertise anything it does not think is suitable and proper for the buying public.

It is noted the world over for the depth of its perception and the objectivity of its coverage. While the Christian Science movement is a very important portion of the Christian church, it does not use its newspaper to propagate its particular religious teachings. There is but one small section in each issue. They go from language to language through the issues dealing with Christian science. Under present circumstances, that paper is sold in Canada with a subsidy from the Christian Science Society. They put in about $76 a year for a paper which sells in Canada for $40 per year. Therefore, there is $36 subsidy per newspaper from the Christian Science publishing house.

Since 1966 the *Christian Science Monitor* has enjoyed exemption from the provisions of subsection 19(1) of the Income Tax Act by virtue of a ruling from the Department of National Revenue to the effect that it qualified for exemption under subsection 19(4). However, as we all know, subsection 19(4) is being repealed under Bill C-58. Nothing is put in its place. The exemption which was granted the *Christian Science Monitor* will therefore disappear. I believe that any government which cared for the enlightenment and edification of its citizens would take no step to make it difficult for the *Christian Science Monitor* to be read by Canadians, but would take steps which would make it easier for that splendid journal of thought and opinion to be read by the people of this country. Therefore, that aspect disturbs me.

I find a great deal of difficulty in being totally condemnatory of this bill or taking the opposite point of view. We are often faced with that in this House. One occasion is when you are presented with an omnibus bill, three items of which you think are great, two of which you do not agree with and four of which you are opposed to—and you can do nothing but vote for the whole thing. That is a real distortion of the logical process.

I think the goal is a good one. I am not suspicious of this minister's intentions. I am not sure that we have yet achieved the right conceptualization. I am always a little bit worried about something that looks like a maple leaf curtain over the forty-ninth parallel.

We maritimers are a bit leery about tariffs on economic goods because we began to get it in the neck when we were told over 100 years ago that we had to erect tariff walls to protect the infant industries of Ontario. Some of those industries have died of old age but the tariff walls are still there and we are still suffering from them.

I am a little troubled about some of the negative approaches. There is a little too much reliance on the tariff syndrome. I would also say, as was mentioned a few days ago, that part of the trouble started for our publications when the Hon. Eric Kierans was postmaster general. I may be pardoned for saying "I told you so" at the time of the severe increase in postal rates for publications. Church publications and many others have suffered from that unjust and unnecessary imposition.

My colleague, the hon. member for Okanagan-Kootenay (Mr. Johnston), referred to *Time* magazine the other day and its performance in the 1963 election. I thought it was *Newsweek* which had done its worst on that one, but I would not say that *Time* magazine was alone in presenting distorted views on what goes on in the Canadian political scene. There are Canadian magazines and newspapers whose reporters and editors might just as easily be stationed in Lhasa or Ulan Bator as far as really stating what goes on. This is especially true around election time.

Mr. Woolliams: Name some.

Mr. Macquarrie: If I had more time I would name a great many at the invitation of my colleague, the hon. member for Calgary North (Mr. Woolliams). I could give quite a compendium. But I have been known in this House for never exhausting all my time. I will not say what I may do to my auditors, but I have never exhausted all my time. I want to keep up that tradition, if I maintain nothing else of a virtuous type here in parliament.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I might say on this measure that the best and most sincere recommendation I can give the minister is that he take the bill under further scrutiny. It is obvious that members of his own caucus are giving a great deal of thought to the matter. They are coming up with some very excellent suggestions. The minister has been given some very good advice by members of my party, particularly the chief spokesman, the hon. member for Fundy-Royal.

● (1540)

I have gone over some of the points which have been raised. The suggestion that the government make greater advertising use of our own periodicals is, I think, a splendid one. I was a little surprised to hear *Reader's Digest* criticized for sending its articles to be translated into

French outside Canada. If there are translation facilities available in Canada, I think they should be used, but I have listened a thousand times to spokesmen for the government saying that royal commission reports, for instance, could not be tabled because the translation was not ready. Both official languages enjoy equality in this House: this has been the position since 1867, though many people believe it only came about much more recently. Mr. Speaker, if we have all these translators available for use by *Reader's Digest*, I suggest the government should be employing them.

Finally, to the minister I would say this. Give the matter a little more thought; Think carefully about what has been recommended to you, especially by the hon. member for Cochrane, on the matter of guidelines. Have a serious talk with the Minister of National Revenue before we get into this 80 per cent question.

Mr. Basford: How about 70 per cent?

Mr. Macquarrie: The hon. gentleman thinks the figure is important. I think that what one is measuring is more important than the percentage. The minister is confirming what an old don used to say, that certain students had the capacity for majoring in minors. It is not the figure; it is a matter of goals and directions. I am not usually a man who suggests we slow down legislation, but on this occasion, to use a turn of phrase familiar to Prince Edward Islanders, I think we would be advised to put her back in dry dock for a while and take another look at the ship before launching her again.

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, my purpose in rising now is not to reply to the distinguished professor from Prince Edward Island who has just so knowingly spoken. But before making my own remarks on the matter before us, I would like nonetheless to reassure the hon. member who preceded me on some questions he wondered about.

First I must say that I was personally reassured by his speech. I was reluctant to take part in the debate, since departmental business kept me away from the House last week when the matter was debated. But I think the speaker who preceded me was also absent because he raised questions that had been solved even before he mentioned them or spoke.

For instance, I do not understand how he can still talk about this matter of the Canadian content when I read in the speech the minister made when he introduced the bill in the House the following remarks, quote:

> Contrary to the view expressed in a recent editorial in one of our leading financial journals . . .

And I should say contrary to the view expressed by our hon. colleague opposite—

> . . . a periodical, to be counted for tax purposes as a Canadian publication, does not have to have a certain minimum percentage of Canadian content. It should be understood by everyone that to be "not substantially the same" as a periodical printed, edited or published outside Canada does not mean that a magazine's contents have to be Canadian in whole or in part. They simply have to be such as to make that magazine, for the most part, different from a foreign counterpart.

[Mr. Macquarrie.]

I suggest that these very words should have calmed in advance the worries the hon. member has just expressed on he issue of the Canadian content.

Secondly, I should like to reassure him about the possible voting along party line by hon. members. I would like to tell my hon. friend that he will not be able to level this charge at me. As a matter of fact, I was a newsman when this problem occurred for the first time, 12 or 13 years ago. I belonged to the occupation under discussion today and I have unequivocally expressed my objections against the exceptions made in favour of *Time* and *Reader's Digest*, which are incidentally two of the richest publications in the whole world; they are loaded with money and they do not need Canadian charity to pursue their careers.

Finally, I would like to reassure the hon. member about the unsolved questions he has just mentioned and which led him to advise the Secretary of State (Mr. Faulkner) to put his bill in dry dock. I think this question has been in dry dock for too long. It seems to me that with his already long parliamentary experience, and in spite of his youth, the hon. member must know that the committee is the best place to solve the matters which remain unsolved, which can cause some concern to the hon. member. Instead of recommending to the minister who took this matter out of the dry dock to set it afloat again, he should let it afloat, refer it to the committee by a majority vote of the House, or even better, by consent of the House. In committee, as he perfectly knows, unsolved issues can be solved. Concerns that worry us can be cleared up. All lacking precisions can be obtained. And above all, a bill can be pushed through if, in the opinion of the great majority of the House, it should become law as soon as possible.

I come back to my point, Mr. Speaker, which prompts me to rise in this debate. It will consist, first of all, in stressing the importance of measuring the point of view of Canadian broadcasting. I do not think that aspect of the question has been very strongly questioned by any member of the House. But I would like the rationalization of the provisions of the bill on broadcasting to be included in the file of the bill. What is it all about on the broadcasting standpoint? It is a question of stations located in big American urban centres near big Canadian centres. But, often, too it is a question of broadcasting stations purposely located on the Canadian border. In both cases, the evident objective is to exploit the Canadian market through the border.

● (1550)

One needs only see the size of the villages and small towns where some of the stations concerned are built. The size of these villages and small towns does not justify, in many cases, the size of the stations themselves. That is the best indication that the goal is not to enrich the American broadcasting system with American funds, which is an honourable objective for our southern neighbours to pursue, but most of the time to exploit systematically the Canadian broadcasting market, which is not large enough in itself for us Canadians to decide to give up whole parts of it to foreign broadcasters.

If anybody doubted that these stations seek in many cases above all to exploit the Canadian market, he would only have to consider the kind of advertisement aired by

these stations. For example, Montrealers know very well that some American stations located near the border advertise suits sold on the Plaza Saint-Hubert in Montreal, for which Americans could certainly not care less, or restaurants located on the outskirts of Montreal, or products for which the American price would often be lower than the Canadian price.

It is therefore obvious that an intentional and exclusive operation exists in the United States with a view to exploiting Canadian radio and television stations, which is inadmissible.

It is also obvious that stations existing for other purposes in major American cities bordering on large Canadian centres—for instance, in the Niagara Peninsula—direct towards Canada, with a view to obtaining a share of the Canadian publicity market, commercials that are in no way justified by American stations interested in American publicity or businesses.

Pragmatically, such a situation is easy to evaluate. Between 20 to 30 million dollars in Canadian publicity cross the border to enrich American stations. I know that some Canadian stations, and one in particular that I shall not bother to mention, create fund transfers in the opposite direction, but such transfers are evaluated at five to seven million dollars, whereas funds for commercial publicity aired by American stations are estimated, as I have just stated, at between 20 to 30 million dollars, which makes of us overall losers.

Everything points out to standardizing a given situation. It is not a question of persecuting anyone, it is simply a question of standardizing a situation, such as we have done in 1969 when the government asked the CRTC to grant broadcasting rights only to stations that were 80 per cent Canadian-owned and that were headed by boards of directors made up totally of Canadian citizens. I am aware that at the time, some people cried out aloud. Like the previous speaker some said that we were anti-American. But all we had to do was answer them that such legislation was being applied by the Americans themselves. Have you ever accused Americans of being anti-Canadian because they did not allow Canadians to go and set themselves up in the American broadcasting system?

I would also like, Mr. Speaker, to say a few words on the debate with which I became acquainted through *Hansard*. While reading the report of this debate, seemingly based on a few newspaper reports which I had also read, I was astonished, I must confess, by some statements. Indeed, the former Secretary of State has been charged with failing to develop a policy on publishing and periodicals in line with the bill now under consideration. Mr. Speaker, I confess that I find that statement astonishing. I do not understand how it could have been made. No policy on publishing or periodicals, Mr. Speaker? I wonder how could he call those steps taken during the past four years by the Secretary of State. Firstly to help directly, through subsidies, the publication of Canadian books and periodicals by Canadian publishers. Secondly, the promotion in Canada and abroad of Canadian books and periodicals also through Canadian subsidies. Thirdly, the translation in Canada of Canadian works, from French into English and from English into French, so that Canadian cultural activities are not stopped on all sides, do not come up against the language barrier on both sides.

What more do they want, Mr. Speaker, when the government already helps the publishing itself, when it assures the promotion and the translation as well which, I admit, has often been a serious obstacle to the knowledge of Canadian English works among the French-speaking people or of Canadian French works among the English-speaking people? Often, it is well known, a writer earned less, and it is perhaps still true, with copyrights than it costs to get a translation in another language. And that does not mean that the book is valueless. The fact is that the Canadian publishing market is rather limited. And this is one of the unfortunate but inevitable results of limited markets.

As I was saying: once we have taken these steps, what more do they want? The government's part, in cultural activities, Mr. Speaker, is not to define itself the cultural values. This task is up to the citizens, to those called cultural workers, or cultural officers. It is up to the citizens, and the government's task is to help setting up conditions which allow the cultural workers to do their job in the most favourable conditions possible.

Were the state to go farther, that would be interference in cultural matters in contempt of the most basic and dearest liberties to the citizens in any real democracy. And I can hardly refrain from mentioning a very well known French example, André Malraux, a renowned critic, a French writer amongst the best known in the whole world, translated in some 30 languages. When he was Minister of Cultural Affairs, because he understood the nature of the cultural activity, Malraux has always contented himself with setting up the favourable conditions and never tried to run cultural affairs. He knew that, as a minister, it was not his role and that would have been an unwarranted intervention of the government in intellectual matters which are none of the state's business. On the other hand, one of his successors, whom I shall not name, a mediocre novelist, adopted a totally different attitude and presumed to say what theatre would be seen, what music would be heard in France; within a matter of five or six months he came to grief.

That is to say, then, that those who have reflected upon the matter know that the state has no direct role to play in matters of culture, of its contents, but that it behoves it to create the environment, the circumstances which allow culture to develop and flourish.

Those who say that the Secretary of State has no policy in matters of publication, what more do they want? I wonder. That we hold them by the hand? That we publish in their stead? That the state substitute itself to the initiative of the journalists in putting out their publications? Then, Mr. Speaker, one could rightly strike out against what would constitute real aggression against some of the fundamental privileges of the citizens in a democracy, those that allow those citizens to define their cultural values themselves and serve them as they see fit.

As a former journalist, for one thing, I could not allow that request, that which would have us go further than we already have gone. We could perhaps increase our assistance. Perhaps is there a question of degree. But, to say that there is no policy strikes me as obviously false to any

open mind. Once the circumstances are created, then it is up to the press itself, which is in no way crippled, as far as I know, to assume its responsibilities as the government has done already, and as Parliament will have done when this bill has been passed.

● (1600)

[*English*]

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, as I take part in this debate I am somewhat confused by two references. The first is that on the order paper we have Bill C-58 listed in the following way:

Resuming debate on the motion of the Minister of Finance for the second reading and reference to the Standing Committee on Broadcasting, Films and Assistance to the Arts of Bill C-58, and act to amend the Income Tax Act.

Then I have in my hand a news release from the office of the Secretary of State (Mr. Faulkner) of May 8, 1975, headed "Secretary of State Faulkner gives second reading to bill to amend the Income Tax Act". It goes on to state:

The bill to amend section 19 of the Income Tax Act respecting foreign-owned periodicals received second reading in the House of Commons today by Secretary of State J. Hugh Faulkner.

It seems to me there is some confusion, and it is a little difficult to reconcile these two circumstances. First of all, I do not think the bill was given second reading; in fact, it is very evident that it was not. The other paradox is that it is stated that the Secretary of State gave second reading to it. I was always under the impression that it was parliament which decided that particular issue. I thought I would just call attention to these anomalies as we enter this debate this afternoon.

In view of the great amount of correspondence which has come to the desks of members of parliament I would be remiss in my duty if I did not participate, however briefly, in the debate on Bill C-58 which is before us. I share many of the views expressed so lucidly by members of the official opposition and some other members of the House, particularly the hon. member for Cochrane (Mr. Stewart). His participation in the debate indicated quite clearly that the opposition to the bill is not opposition for the sake of opposition, but because of a mounting feeling that not only will this measure fail to achieve the goal desired by the minister in its presentation but it will seriously erode some basic principles, adversely affect many individuals whose employment will be threatened, and will have detrimental effects on the Canadian economy as a whole.

The main thesis upon which this legislation seemingly rests in open to legitimate and serious doubt, namely, that the effect of the measure will result in a significant redirection of substantial advertising revenues into the wholly-Canadian publishing industry. This assumption is not substantiated by various inquiries carried out. It is suggested that any redirection of advertising would amount to a very small percentage, possibly in the area of 7 per cent to 10 per cent. It would appear that past performance by certain agencies has failed to generate confidence in their ability to respond to the reading pleasure of the Canadian public, and their promises of conversion for the future are not taken too seriously at the present time. I want to come back to that particular thought a little later.

[Mr. Pelletier (Hochelaga).]

One of the questions raised is whether or not it is desirable or proper to use the tax weapon as a means of manipulating the reading habits of Canadians. The reason Canadians have become avid readers of, particularly, *Reader's Digest* and perhaps to a more limited degree *Time* magazine, is that it more fully measures up to what is desirable in reading material and provides material that has not been available in the Canadian magazine market. I tend to the belief that had the Canadian publishing industry been more responsive and more prepared to provide readers with a truly informative and less politically biased periodical, it would have won much wider support and greater financial return without waiting for assists such as are envisaged in this legislation.

It is not my intention to deal with the factors that have already been dealt with by my colleagues, but I would make reference to the unusual constituent opposition to the provisions of Bill C-58. As has been pointed out, it is true that an appeal was launched by the publishers of *Reader's Digest*. What is significant, however, is the fact that so many Canadians took the time and made the effort, not to sign a pre-planned ballot but to write personal letters requesting maintenance of the present status for *Reader's Digest* because of the nature of the periodical, its contribution to reading pleasure, the policies of the company as a good corporate citizen, and its significant contribution to the economy of this nation. One hundred and thirty-five persons have written me personally urging my opposition to the measure, and unless significant and fundamental changes are made in the bill now before the House it may be that this option will have to be followed.

In taking part in the debate, the hon. member for Cochrane pointed out the opposition of members in the government party to some aspects of the bill; the contrary views of members of the cabinet, the intransigence of the minister, and the probable absence of many ministers when this bill received cabinet support. Surely the influence of all these factors, coupled with the submissions of members of the opposition, should cause even the most determined minister to concede the possibility that more thought should be given to this proposal, and fundamental changes made before asking that second reading be given this measure. I say again that, in spite of the news release, the bill has not yet received second reading.

The background information paper about the proposed amendment to section 19 of the Income Tax Act reads as follows:

Debate specifically over *Time* and *Reader's Digest* has continued since their advent upon the Canadian market and their large gains in advertising revenue relative to the gains made by all Canadian magazines.

There appears to be an inference that the "large gains in advertising revenue" enjoyed by *Time* and *Reader's Digest* are responsible for the unsatisfactory economic position of the Canadian industry. This conjecture forms the basis of the decision to amend the present act on the assumption that this will correct the situation. I do not believe that this is so. Let me quote one or two further statements contained in this news release. The second paragraph reads:

"Canadian magazine publishers have been forced to exist for too long in an economic and psychological climate that has not been

conducive to growth or new ventures", Mr. Faulkner said as he outlined the government's proposed amendments.

Further in the news release it is stated:

Speaking on behalf of the Minister of Communications, Mr. Faulkner also outlined the clauses of the bill dealing with broadcasting, which will amend the Income Tax Act so as to encourage the flow of Canadian advertising revenues to Canadian broadcasting media by disallowing deductions against income of the costs of advertising broadcast on non-Canadian stations.

Tying these together, it seems that the minister is confident of the fact that by these amendments to the Income Tax Act he is going to redirect a substantial portion of revenue into the Canadian operation. I do not think that is necessarily so. First of all, let me say that the relevant success of the two periodicals mentioned, particularly *Reader's Digest*, is that it is, in format and content, what Canadian readers want and because it has wide public appeal it has developed an exceptionally wide market.

● (1610)

If Canadian publications had taken the initiative and provided what appealed to readers in the way of clean, informative and entertaining material, they would have succeeded in gaining a large section of the market and, consequently, a much larger share of the advertising revenue. It is logical that the wisdom of the adage "you cannot build yourself up by tearing the other fellow down" might apply not only to the individual but to corporate policy as well. The passage of this amendment does not and will not ensure the diversion of advertising revenue into other periodicals. I believe this objective can and will be achieved much more effectively when Canadian publishers take the initiative and come up with something even better than *Reader's Digest* rather than waiting, as I have indicated before, for this parliament to pass compulsory legislation of the kind that is presently before us.

Perhaps it would be of value to state again some of the economic facts regarding this particular publication. While some have questioned the validity of some of these arguments, I believe they are basically sound and dependable. It has been pointed out that *Reader's Digest* is more than 30 per cent owned by Canadians. With the exception of one, its directors are Canadian. Its full-time Canadian staff numbers some 450 persons, and of course it indirectly gives work to thousands of others as well. *Reader's Digest* has owned its own press in Montreal since 1948. It publishes in both English and French, and it is now investing $3 million in new printing equipment. Articles about Canada—this refers more to the content—originated by Canadian editors are circulated in 26 international editions, in 13 languages, for a readership of approximately 105 million people. Those are just some of the facts that we should take into consideration as we assess the measure before us and the impact it will have, not just on the industry itself but on the total Canadian economy and community.

It seems to me that as we look at this situation and consider it from every point of view, we find that *Reader's Digest* has measured up in a substantial way to the qualifications required of a good corporate citizen. I do not propose to talk at great length except to point out some of the statements made by members of the government party. These have been placed on record but I would again like to call attention to one or two of them. The hon. member for Cochrane, in participating in the debate said the following:

Mr. Speaker, I rise in this debate to express some very serious reservations about the bill which is before us.

He later made the following statement:

I have reservations about this bill simply because I feel there has not been sufficient effort made to establish guidelines to be followed for a publishing company to maintain its Canadian status. There seems to be an intransigence on the part of the minister to make any compromise on this, and on this point I do not understand the minister.

Reference was made by the Minister of Communications (Mr. Pelletier) to the effect that this subject has been kicked around for quite a long time and we should be grateful for the fact that it has been brought before us in this form. We realize fully that there has been a great deal of discussion, there may have been a great deal of thought given to it, and it may have been kicked around for a long time. But it would seem to me that there has been a lack of really in-depth study and inquiry into the effects that this proposal would or would not have, because I believe there are many things still open to question and it is difficult to gauge the impact of measures such as this. I believe that a greater measure of in-depth study should be given, to try to ascertain to the optimum degree just what the impact will be in various areas.

Not only did the hon. member for Cochrane make the statements which I read, but the hon. member for Vancouver-Kingsway (Mrs. Holt) circulated a letter which I should like to quote in part. I believe it is a very thoughtful presentation. Everything that the hon. lady advances in that letter is, in my opinion, well thought-out and we should give it ample consideration. She wrote:

I have been openly opposed to this step. It is discriminatory and unjust—a threat to the life of a first-class landed (corporate) immigrant for more than 30 years. Not only has *Reader's Digest* provided jobs and writing opportunities to many Canadians within a small industry—magazine publishing—but more than any other magazine published in Canada, has provided features and news (mature and well-researched) each month from all parts of Canada, linking this country.

I will continue my fight against the proposed action when it comes before the House of Commons, and if it comes before the Broadcasting, Films and Assistance to the Arts Committee.

In the next to last paragraph she wrote:

I have, and will continue, to oppose any attempt to end the life and public responsibility of *Reader's Digest* in Canada.

The opposition being expressed is not opposition only from the official opposition or even from all opposition parties. I believe there is significant opposition within the ranks of the government itself, and I believe all these factors should be taken into consideration in the assessment of this matter. My colleague, the hon. member for Hillsborough (Mr. Macquarrie), suggested that this bill should be withdrawn. I also believe that it should be withdrawn until far more consideration is given to all the factors involved—whether this action is justified in light of the sincere and effective steps taken by *Reader's Digest* to act as a good corporate citizen and their evident success in contributing to the Canadian economy, and whether any appreciable benefits will accrue to the Canadian publishing industry from the passage of the legislation.

I urge the minister to consider these facts as he weighs the issue, and to consider whether it would be advisable, in light of all the sources from which the opposition comes, to take the step which he proposes to take; or whether it should be given further consideration before we are asked to give second reading to this legislation.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I share the views so eloquently expressed by my colleagues. I believe that in fact this bill should be withdrawn, notwithstanding all the work that has gone on throughout the years commencing with the O'Leary commission. The fact is that there is every indication, from what we are now hearing in the debate, that the bill was hastily drafted, that it is ill-conceived, and that it was presented to the House before even the minister's supporters in his own caucus had an opportunity to adequately present their views. When the O'Leary commission on publications made its report in May, 1961, it emphasized the following:

● (1620)

—in an era as vital and sensitive as that of the press, whatever is done should be positive rather than negative, with the goal the promotion of the Canadian periodical, not the suppression of the foreign.

That was from the report of the O'Leary commission. The bill now before us is, in my opinion, a very negative approach to this problem. No one, and I do not think anyone involved in this debate, has tried to deny or to speak against the principle of support for Canadian periodicals and publications. God knows that the Canadian publishing industry desperately needs help. I am sure that when the minister does bring forward a measure to assist the Canadian publishing industry, it will receive the support of this House.

As has already been stated, the fact is that the revenue which will be freed by taking away the tax exemption privileges of *Time* and *Reader's Digest* will not necessarily all go to the Canadian publishing industry or to Canadian magazines. I would like to quote a survey conducted by Canadian Facts Incorporated, in January of this year; it was a survey of Canadian advertising executives. It found that very little new advertising revenue will accrue to Canadian publications. As a matter of fact, that report tells us that just under 20 per cent of the bulk of the new revenues will go to one magazine company, the Maclean-Hunter Publishing Company which already accounts for 42 per cent of the total, and despite the fact that the minister has identified the smaller, special interest magazines as the real problem area we are told that a very insignificant amount of benefit in the form of new revenues will go to smaller magazines as a result of the amendments to the Income Tax Act in the bill before the House.

As the hon. member for Hillsborough (Mr. Macquarrie) has said so eloquently, the smaller publications could be helped in a very positive way and in a very meaningful way by, for example, the government restoring the special postal rates those publications once enjoyed and which were removed by this government. In other words, a return to the postal rate calculated on the basis of circulation would give the smaller and specialized publications in this country a better chance to survive and flourish.

[Mr. Patterson.]

Then there is the argument that the advertising dollars will go where the maximum audience is. That is an indisputable fact. Hence, most of the advertising dollars which will be put into the Canadian market as a result of this amendment, if it passes the House, with a small exception will not go to Canadian publications and will not help the Canadian publishing industry. They will go to the maximum audience achievement which can be bought for the dollar, and in this case it will go to newspapers and to radio and television stations. I submit that it will be a very significant windfall for Canadian radio and television stations and newspapers in this country, which are already in a lucrative position.

Regardless of what new benefits accrue to Canada's major publications, and in this case I mean Maclean-Hunter and *Maclean's* magazine, I am satisfied that *Time* magazine, whether it will appear as the international edition, the American edition or under a new cover as a Canadian magazine which fully meets the terms of the legislation—this, I submit, could possibly happen by *Time* Canada selling out 75 per cent interest to Power Corporation or F. P. Publications or some other Canadian company—will have little or no impact in this country because there will still be *Time* magazine one way or another. It will still have a large circulation in this country because it has the worldwide capability to provide Canadians with a first-rate international magazine. But I do not think it matters a great deal. In the final analysis we will still have *Time* publishing in Canada in one form or another, or at least distributed in Canada from the United States.

What does matter a great deal to a significant percentage of the members of this House is *Reader's Digest*. I, for one, make no apology for standing in this House and saying that I firmly believe a special case can be made for this publication. A special case has already been made by hon. members on both sides of the House. My colleague who preceded me referred to the speech of the hon. member for Cochrane (Mr. Stewart), and he quoted from a letter which has been distributed to all members of the House by the hon. member for Vancouver-Kingsway (Mrs. Holt)—both very eloquent arguments in favour of the retention of tax exemptions for *Reader's Digest* in Canada.

It is an indisputable and undeniable fact that *Reader's Digest* has striven to be a good corporate citizen of this country. I think it has succeeded in doing that. There has already been reference to the very substantial investment this company has in this country—an investment exceeding $8 million. *Reader's Digest* has met and exceeded every guideline for corporate behaviour laid down by Canadian governments, including the 12 guiding principles of good corporate behaviour laid down for foreign subsidiaries in 1966 by the then minister of industry, trade and commerce.

In addition, *Reader's Digest* meets the qualifications of the Income Tax Act in that its editions are typeset in Canada, printed in Canada and wholly edited in Canada by a company which is a good corporate citizen of Canada, which is incorporated under the laws of this country, whose presiding officer and all other officers are Canadian citizens and taxpayers and, as my hon. friend has already said, five or six directors of the company are Canadian citizens. Sir, that is good corporate citizenship.

In addition, the company has actively supported the Canadian publishing industry through contributing to advertising research, graphic arts and bookbinding technology and by providing an expanding market for writers and illustrators through its magazine and book business. This is significant, especially in the absence of any positive policies by the minister to support the Canadian publishing industry. This company, since its inception in this country in 1943, has been employing Canadians full-time and today employs 470 full-time employees, 47 of whom have more than 20 years' service with the company. Since it has gone public, it has some 600 Canadian shareholders.

Impressive though all those arguments may be, I submit that there is another argument which should carry even greater weight and perhaps it will explain why there was such a great response from the publishers of *Reader's Digest* and from its readers across the country. I know that every member of parliament has received many letters. I received more than 100 from my constituents. I think the reason the response was so great was that in today's permissive society there are so few magazines which you can safely lay on your coffee-table. There are very few family magazines. The minister smiles. I do not know if he has examined the racks of magazine stores lately and has seen the kind of pornography and trash that passes for Canadian and American publications. This fact alone perhaps explains why there is so much interest in this bill. *Reader's Digest* is unique and has become a tradition in this country. Many of us grew up with this magazine as a family publication and part of our way of life, whether it be the French edition or the English edition. I think most hon. members will support that point of view.

● (1630)

This uniquely family magazine has striven to be a good corporate citizen of this country. It has almost reached its own objective of 30 per cent Canadian content. Whether this magazine reflects American points of view, British points of view or French points of view, the fact is it reflects substantially the points of view of the many Canadians who contribute to it whether in book or magazine form. I believe it is a good, clean, wholesome magazine and we as members of this House have an obligation to do whatever we can to ensure its continued publication in Canada so that it can be enjoyed by the people of this country.

I hope the minister will get the message. I am sure when the bill gets to committee we will hear these arguments again and the minister will be constrained to entertain amendments which will allow this commendable publication to continue to serve the people of Canada.

The Acting Speaker (Mrs. Morin): Is the House ready for the question? The hon. member for York-Simcoe (Mr. Stevens).

Mr. Sinclair Stevens (York-Simcoe): Madam Speaker, as has already been mentioned in this debate, when the minister made his initial statement concerning his intentions to introduce legislation with respect to the matter before us today, I replied on behalf of our party and indicated, as has been indicated today by the hon. member for Hillsborough (Mr. Macquarrie) and other of my colleagues in this party, that the principle the minister referred to is acceptable. Where I personally have had great difficulty with the minister's proposals in Bill C-58 is the detail. When I commenced to read the portion of the Income Tax Act referred to in the bill, subsections 19(1), (2) and (4), and realized in what way the minister wishes to amend those subsections, I felt much had to be said before the bill is passed by this House.

While it may be very easy to accept something in principle, I would suggest that we in this House must be doubly certain at times that in attempting to achieve something that appears to be good we do not inadvertently limit freedom of the press or create hardship with respect to a publication in Canada that has been a good corporate citizen. Above all, I believe we have to satisfy ourselves that the measure proposed by the minister is going to be beneficial to Canadian publications in general.

In this respect, I was disappointed to read the address to this House by the Secretary of State (Mr. Faulkner) on May 8. He listed eight points that he regarded as "should nots" or "have nots" with respect to the concept that we have before us. He then raised four points of "shoulds" or desirable things that he hoped to achieve. In short, he touched on eight negative and four positive points in order to justify the bill. Subsequent to touching on those points, he mentioned various things that he felt the government was doing in order to encourage the Canadian magazine and periodical industry.

What has been even more of a disappointment to me since I spoke to the House on this matter on January 23 is the evidence that the government appears to be growing indifferent to the problems of the press. Many people were shocked when the Minister of Energy, Mines and Resources (Mr. Macdonald) withdrew departmental advertising from *Le Jour*, a Montreal newspaper. He stated that federal advertising should not be placed with a newspaper whose views were incompatible with those of the federal government and with the preservation of the nation. As we know, *Le Jour* is a separatist publication. Subsequently, the Prime Minister (Mr. Trudeau) backed up his minister and said the question—

—is to decide if the government should help commercial enterprise.

Madam Speaker, is that really the question when you are dealing with a matter as important as freedom of the press? One would have thought that the only reason for the government to give advertising to the media would have been to inform the public about matters of national concern such as government policy, new laws or regulations. To withdraw advertising on political grounds is to deny a certain segment of the population—in this case the readers of *Le Jour*—their right to such information. I would suggest it is a bad precedent, and once established it will be difficult for the government to draw a fair line between acceptable news media and those that are unacceptable.

Few would support separatism; certainly I presume virtually no one in this House would support that concept. Should the government be allowed to use their economic clout as a tactic to influence the free expression of opinion in any periodical or in any newspaper in Canada, however? I relate this to the bill before us, because while it is a simple matter to suggest that the government should

require foreign publications in Canada to be at least a majority, or 75 per cent owned by Canadians, where we obviously get into difficulty is when the government states that for any advantage to accrue to the periodical being owned by Canadians it should have a content that in some arbitrary way meets the requirements of, say, the Department of National Revenue.

When comments along this line were being made earlier by the hon. member for Hillsborough who was challenging the concept of an 80 per cent content rule, the Minister of National Revenue (Mr. Basford) shouted, "Would you sooner have 70 per cent or 60 per cent?" I would suggest that indicates that the minister is insensitive to what we are speaking about today. We are speaking about the possibility that so-called content rules could be used by the government in power to influence their decision as to who shall be treated as a Canadian magazine and who shall be treated as a non-Canadian magazine. To the extent that any government in future could use that power to thwart freedom of the press, I believe the rule must be resisted.

I have been alarmed over the past few months by the growing indifference of this government to freedom of the press. Let me refer to the response made by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) when he appeared before the Standing Committee on Finance, Trade and Economic Affairs in April. On that occasion he gave newsmen further cause for concern when questioned on certain measures in the proposed competition bill which is now before the committee.

● (1640)

The Canadian Newspaper Publishers' Association had asked for changes in the bill to ensure freedom of the press. They pointed out in their brief that unless the act is modified, purchasers of advertising may agree together to prevent or lessen competition in the purchase of their advertising generally, or in relation to a particular medium of communication or in relation to a particular newspaper or radio or television station. They asked the government to put advertisers in the same position as others who would conspire in such a way; that is, they asked the government to make it illegal. Mr. Ouellet, who appeared before the committee, was entirely unsympathetic to the proposal of the newspaper publishers.

The Acting Speaker (Mrs. Morin): Order, please. I remind the hon. member that when referring to the minister he should refer to his portfolio.

Mr. Stevens: Yes, Madam Speaker. I said in committee that, given the *Le Jour* incident and the government's apparently firm position not to protect the news media from advertising conspiracies, we have an indication of how fragile freedom of the press may be in this country. This view was heightened by the remarks of the minister's parliamentary secretary, the hon. member for Ontario (Mr. Cafik) who chose that occasion in committee to register his hostility to the press in his area, a hostility arising from treatment afforded him during political campaigns. He is reported to have said:

> As soon as an election writ is issued you get a visit from all the advertising people from each of the newspapers, and some of them make it very clear—and some of them do it less overtly—that they would like to know what advertising you are going to give them, and the message is certainly fairly self-evident before the conversation is over that if you do not advertise with them, you will not get any coverage. I have found that the impression that that is true is usually substantiated in fact. I have found that from those with whom we do not advertise, we certainly do not get any coverage.

The hon. member, whose absence I am sorry to note, then was more specific. Referring to the Inland Publishing Group, which apparently has newspapers in his riding, he is reported to have asked witnesses appearing on behalf of the Daily Newspaper Association the following question:

> What is your view about publishers who own a number of small newspapers who in fact would have exactly the same editorial go out from all of them in respect of a very sensitive subject, when in fact those local newspapers carry the banner, and create the appearance of being locally oriented newspapers, but they are really centrally controlled . . . does this strike you as being responsible policy?

The witness stated that they did not agree with such policy. Then the hon. member for Ontario shouted, "What would you do about it?" and Mr. St. Clair Balfour, president of Southam Press, replied, "It would never happen in my company." Mr. John J. Robinette, Q.C., counsel for the Daily Newspaper Association, added in jest that we are "the good guys." The hon. member for Ontario concluded by saying, "We make a distinction between the good guys and the bad guys, I guess." That exchange should give cause for alarm as it indicates the attitude of the minister, the government, and of the parliamentary secretary on the question of freedom of the press. Apparently the minister and the parliamentary secretary think that if a newspaper publishes something they do not find attractive, certain repercussions should follow.

Given the present political atmosphere, the language of Bill C-58 leaves much to be desired. To the extent that we impose arbitrary rules for content and decide who is a bad guy and who is a good guy, the freedom of the press is lessened. Consider, for example, the action which the Quebec government might take to restrict the activity of the press in that province. The premier of the province has indicated that he plans to introduce a bill in the provincial legislature which will affect the concentration of press power in that province.

I think we should put on record what has been said by at least one minister of the Bourassa government about the provisions of the proposed press legislation in Quebec. Fernand Lalonde, minister without portfolio, indicated in Toronto not long ago that the Quebec government is thinking of imposing a code of ethics on the Quebec press; in other words, there are to be guidelines on what may or not be published in the newspapers. That is an alarming suggestion. That government, which has been stung by certain press comments and does not like being criticized about current scandals in the province, has suggested, through the mouth of one of its cabinet ministers, that it will introduce a code of ethics to govern newsmen and newspapers.

In light of current events, we in this House must make doubly sure that Bill C-58 does not in any way give this or any future government a weapon to use against publications in this country, a weapon which can be used in accordance with the political feelings of the government or the minister of the day. Let me make another point about the situation in Quebec. In the Montreal *Star* of

April 1, 1975, Dominique Clift, in an article headlined "Quebec considers press curbs," said in part:

For more than five years various committees of the national assembly have been studying the growing concentration in the ownership of communications media as well as the public's right to unbiased information. The issue is a serious one in Quebec because the French cultural and economic environment is somewhat constrained, so that it becomes relatively easy for anyone to acquire a monopoly position in this field.

The article goes on to say there has been considerable pressure for government action in this field and that the premier has promised to introduce a law which will take care of the situation, that is, the concentration of power with respect to the press. The article goes on to say:

Current plans are to introduce the legislation some time in May or June. While the bill has not yet been drafted for presentation in the national assembly, the government is leaning toward the idea of making information media fall under the definition of "public services." This would place them under the jurisdiction of the Public Services Board which would grant accreditations or permits, and implement government directives on ownership and possibly other matters as well. No matter how straightforward and innocent these controls might be, suspicions that the government is trying to muzzle the press are very quick to be aroused.

The article expresses the views of a journalist who is alarmed about the suggestion that the provincial government may try to muzzle the press in that province. In the Toronto *Star* of May 17 we find a similar byline story by Robert McKenzie, entitled "Bourassa may restrict the press". In this article out of Quebec City it is pointed out:

● (1650)

Liberal supporters are incensed at the media's role in hammering home the scandals which have hurt the party's image in recent months.

When Fernand Lalonde, a minister without portfolio and a Bourassa confidante, said in Toronto last month that the government "is envisaging" imposing a code of ethics on the Quebec press, the premier sought to defuse the remark the next day.

I could quote much more from that article. Perhaps it is sufficient if I simply indicate that there is a discernible degree of intolerance with regard to the press at the present time. Some—and I hope they are few in number—in politics are suggesting that, for the first time in Canadian history, there should be some restriction on the freedom of the press. That is why I believe we in this House of Commons have to be extremely careful that we do not amend the Income Tax Act or any other act and inadvertently give an unfair clout to somebody in government to stifle our free press.

I wish to touch on another point. I would comment at this point that I have found this debate very refreshing in the sense that we have had participation from government backbenchers, members of my caucus and the other caucuses. Many members have made an important contribution in their remarks concerning what they believe are the inadequacies of the bill. I refer, for example, to the hon. member for Vaudreuil (Mr. Herbert) and the hon. member for Cochrane from the Liberal side.

I am sure the House will accept my independence on this matter if I specifically point out to the minister where I believe his eight negatives and four positives of May 8 do not apply to certain periodicals in Canada. I will mention one instance. As the act now stands, the minister is going to require newspapers in Canada to go out of business simply because he is not willing to accommodate them. I refer to the Red Deer *Advocate* and the group of newspapers in British Columbia that are controlled by the same group in England. While this group owns 100 per cent of the stock of these Canadian publications, they in no way direct the content of the newspapers. The staff is entirely Canadian. I would say that the Red Deer *Advocate*, for those who have read it, is as good a daily newspaper as you will find in any city in Canada of comparable size.

If you read the remarks of the minister at pages 5592 and 5593 of *Hansard*, you will find he gives a list of eight points—situations which he says should not be allowed to continue in Canada. I suggest that not one of his eight points applies to the Red Deer *Advocate*, yet the minister makes no exception for this type of publication. My colleague, the hon. member for Hillsborough, indicated that the *Christian Science Monitor* represents perhaps another difficulty if the amendment before us is passed. However, let me deal specifically with the Red Deer paper. For example, the minister stated as one of his negative points:

—we do not want the continuance of a situation wherein the world view of Canadian readers is being influenced by American periodicals the operations of which in Canada are facilitated by a tax deduction provision primarily intended to assist Canadian publications.

What does that have to do with the Red Deer *Advocate* owned by British interests? Absolutely nothing. In another point he stated:

—we do not want the continuance of a practice whereby the stories and articles reproduced in the French language Canadian edition of *Reader's Digest* are usually translated outside Canada.

That has nothing to do with Red Deer.

—we do not want the continuance of an arrangement whereby the editorial content of these foreign-owned magazines is imported from parent houses in the United States—

Again, nothing to do with Red Deer.

—we do not want the continuance, on the part of two foreign-owned magazines, of editorial policies that can hardly be said to be making a real contribution to Canadian cultural development and expression.

That has absolutely nothing to do with any magazine in Canada other than the two foreign magazines to which he referred.

—we do not want the continuance of a situation wherein foreign-owned magazines claim the right to be called Canadian while taking their editorial direction and most of their editorial content from their parent houses abroad.

Again, nothing to do with the publication to which I am referring.

—we do not want the continuance of a Canadianization progress record which, after 30 years, finds *Time* in Canada still owned and controlled entirely by Time Inc. in the United States—

The minister then refers to *Reader's Digest*. Again, it has nothing to do with the publication to which I am referring. He then mentions, as a second negative point, that he is alarmed at the $19 million of revenue that is being taken by two foreign-owned periodicals. Presumably he is not including the group of papers I am referring to in his $19 million reference.

In particular, I am trying to indicate that the minister's stance in drafting this bill and his statement were very, very subjective. He seems to be deliberately moving to thwart two magazines, *Time* and *Reader's Digest*. The fact that, in thwarting those magazines, he is creating problems and will probably hurt other publications in Canada

which have in no way contributed to the problems that he alleges exist is secondary in his mind. I want to develop this further, because the minister then states there are four good things he is trying to accomplish by this bill. He stated:

What we do want is: first, the continuance of a situation wherein there is no interference with the freedom of Canadians to read *Time* and *Reader's Digest*—

The Acting Speaker (Mrs. Morin): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTION TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. McKenzie)—External Affairs—Proposed establishment of subcommittee to investigate CIDA; the hon. member for Kootenay West (Mr. Brisco)—Society for the study of the Heritage of Canada—Reason for payment to society to compensate for use of name "Heritage Canada"—the hon. member for Okanagan-Kootenay (Mr. Johnston)—Regional Economic Expansion—Request for statement on negotiations with British Columbia for projects.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mrs. Morin): Motion No. 2, the hon. member for Hamilton West (Mr. Alexander).

Mr. Caccia: Madam Speaker, I rise on a point of order. If Your Honour will call notice of motion No. 38, I believe you will find there is agreement to deal with it this afternoon.

The Acting Speaker (Mrs. Morin): Is it agreed that all notices of motion prior to No. 38 stand?

Some hon. Members: Agreed.

[Mr. Stevens.]

HOUSE OF COMMONS

PROCEDURE FOLLOWED IN COMMITTEES RESPECTING HEARING OF WITNESSES

Mr. G. W. Baldwin (Peace River) moved:

That this House: Holds that it tends to a contempt of parliament and a subversion of the constitution to assert, as did the Minister of Energy, Mines and Resources before a standing committee of this House in a previous session, that a minister of the Crown may order a witness not to attend a committee or to withhold evidence from the committee where, in the minister's opinion, the witness has an advisory responsibility to the minister or the government:

Informs the minister and others of the government that the implementation of this pernicious doctrine by obstruction, threat, intimidation, molestation, offer of advantage, other corrupt practice, or at all, is a crime against the law and custom of parliament;

Affirms that it is the undoubted right and ancient privilege of this House that all witnesses to attend before this House or before any committee of this House have and enjoy the privilege of this House in coming, staying and returning; and

Declares that it is a breach of the privilege of this House to tamper with a witness in regard to his evidence to be given before this House or before any committee of this House, or endeavour, directly or indirectly, to deter or hinder any person from appearing or giving evidence, or attempt by persuasion, solicitation or advice of any kind to induce a witness not to attend or to withhold evidence or to give false evidence, or otherwise interfere with his freedom to form and express his own opinions honestly in the light of all the facts known to him.

● (1700)

He said: Madam Speaker, I did not want to deprive you of the privilege—I would have liked to have heard the terms of the motion in French; I think it would be good for members of the government side to become acquainted with them.

I was only persuaded to proceed this afternoon because members over there were so disappointed with the performance of the Prime Minister (Mr. Trudeau) last Thursday that I thought this whole issue should be reviewed and discussed again. I trust this will have the effect of persuading them to change their minds so that they will no longer be the unthinking members on the government side that they have been in the past. The motion is phrased in colourful terms. It states:

That this House holds that it tends to a contempt of parliament and a subversion of the constitution to assert, as did the Minister of Energy, Mines and Resources before a standing committee in a previous session that a minister of the Crown may order a witness not to attend a committee or to withhold evidence from a committee where, in the minister's opinion, that witness has an advisory responsibility to the minister or the government;

Informs the minister and others of the government that the implementation of this pernicious doctrine by obstruction, threat, intimidation, molestation, offer of advantage, other corrupt practice, or at all, is a crime against the law and custom of parliament—

Had there been an opportunity, I would have amended this motion so as to include the Prime Minister and the President of the Privy Council (Mr. Sharp) because they, too, brought themselves into contempt of the House, having asserted last Thursday and on other occasions that they possessed this right. However, I cannot change the motion now. I merely wish to make it plain that I am not picking on the Minister of Energy, Mines and Resources (Mr. Macdonald). I am thinking, too, of the Prime Minister and his seatmate, the President of the Privy Council: the words have application to them. I bring to the atten-

tion of the House particularly the third paragraph of the motion:

Affirms that it is the undoubted right and ancient privilege of this House that all witnesses to attend before this House or before any of committee of this House have and enjoy the privilege of this House in coming, staying and returning; and

Declares that it is a breach of the privilege of this House to tamper with a witness in regard to his evidence to be given before this House or before any committee of this House, or endeavour, directly or indirectly, to deter or hinder any person from appearing or giving evidence, or attempt by persuasion, solicitation or advice of any kind to induce a witness not to attend or to withhold evidence or to give false evidence or otherwise interfere with his freedom to form and express his own opinions honestly in the light of all the facts known to him.

That is what the Prime Minister says he has the right to do. That is what the Minister of Energy, Mines and Resources says he has the right to do. That is what the President of the Privy Council says he has the right to do. That is, a right to tamper with evidence, a right to tamper with the calling of witnesses before a committee. While the motion uses colourful and, some might say, extravagant words, the words take us back to the time of Charles II, the king who lost his head because he asserted the divine right of kings somewhat in the same way as the present Prime Minister. It is the same type of right as the former president of the United States claimed for himself in the exercise of executive privilege. President Nixon said that as executive head of the United States, he had the power to say to witnesses, "You need not appear before a congressional committee and testify, if I tell you not to." That is exactly the position taken by those ornaments of the treasury benches who sit opposite.

It is all very well, apparently, for committees to call witnesses from the streets outside this House. Presidents of corporations, presidents of unions—any witness can be called and is compellable. But if he happens to be a member of the civil service, then according to the principle asserted initially by the minister of energy and repeated by his more or less distinguished colleagues, he need not and cannot be called because he is a member of a class set apart. Thus, the divine right of executive privilege is alive and well and flourishing in government today.

Members opposite attempt to defend this attitude by advancing a complete distortion of the phrase "responsible government". They say, in effect, that a government composed of ministers drawn from the House of Commons and elected in a general election has no responsibility other than to the House itself and that having discharged this responsibility they are free to prohibit the calling of witnesses before a parliamentary committee. I assert that this is a distortion of the principle of responsible parliamentary government. Over 100 years ago in this country, under the guidance of the famous Baldwin-LaFontaine ministry, responsible government was brought in. I have here a book called "Baldwin and the Great Experiment", by R. M. and J. Baldwin, the distinguished, direct descendants of Robert Baldwin who has written this book in collaboration with his wife and I will quote from it what I suggest to be a most acceptable definition of "responsible government". At page 134 of the book we read:

Why did it (the Crown) not keep a minister in office in spite of the voice of parliament? It was impossible for such influence to interfere, for it did not exist; while he enjoyed the confidence of parliament he continued in office; when he lost that confidence he was obliged to cease being a minister. The breath of parliament made him, the breath of parliament unmade him—

To my mind there could be no clearer, more concise or better definition of what we mean or ought to mean by "responsible government". The hideous, distorted paraphrase of it which the right hon. gentleman opposite and his colleagues have attempted to foist upon parliament is quite unacceptable to me, to my hon. friends and, I would hope, to many hon. members sitting on the other side of the chamber.

What was it that the Minister of Energy, Mines and Resources said on Tuesday, December 18, 1973, before the Standing Committee on National Resources and Public Works? As reported on page 14 of the Minutes of Evidence, he said:

I have no objection whatsoever to appearing with Mr. Stabback—

He was a witness the committee was thinking of calling.

—and having him answer questions on matters of information, but as he is one of my advisers for whom I am constitutionally responsible I would have to appear when he appears. It should be understood that I will appear with the witness and, of course, I will be quite agreeable, but from a constitutional standpoint he has been acting as adviser to me and as such should appear in my presence.

Later the minister went on to say:

I am sorry, that is too much. The minister is responsible; if he chooses to have his deputy minister appear without his being present, that is the minister's choice. Ultimately, it is the minister's responsibility as to who shall appear.

I then said:

The minister is wrong. He is challenging responsible government, the right of the House of Commons—

At this point the minister rudely interrupted me and said:

I must say that responsible government means that a minister is responsible for his portfolio to the House of Commons, not individual public servants.

Nobody would challenge that assertion standing by itself, but not in that context. I was left with the only retort I could think of immediately, namely, that the minister would not recognize responsible government if it got into bed with him. Then on May 13, during the question period, I put a question to the President of the Privy Council on the idea of responsible government. The President of the Privy Council, as reported at page 5769 of *Hansard*, had this to say:

● (1710)

Ministers take responsibility not only for their own actions but for the actions of their departments and for their civil servants . . . If you go behind the minister and compel civil servants to appear, then, of course, you break down the whole principle of ministerial responsibility.

Then later on, as reported at page 5770:

Surely this is the principle upon which this House must operate, otherwise the whole system of responsible government breaks down.

There is the bold, unqualified assertion that a committee of this House cannot of its own right call a civil servant to appear as a witness before it. Unless the minister in whose department that civil servant is employed gives his approval, that civil servant cannot appear, cannot give evidence and cannot be called. This was repeated on Thursday, May 22, by the Prime Minister and the Presi-

dent of the Privy Council. The Prime Minister was the first offender in that long, dreary monologue when he slyly conducted himself in such a way as to prevent this House from questioning him, as had originally been understood. The Prime Minister said, as reported at page 6015 of *Hansard:*

> In Canada, the ministry is responsible to parliament and must defend itself there every day. As I have said, this government is in a position to be more sensitive to this than most, on the basis of the experience I quoted earlier ... Our policy, Mr. Chairman, has been to improve and defend the system we have enjoyed in Canada for over 100 years and which has had a great role to play in preserving our democracy by making the elected member paramount in the decision-making process and accountable for his actions when he is a member of the ministry.

What tripe, Madam Speaker! What drivel! The Prime Minister goes back to his coach in this, the Minister of Evergy, Mines and Resources, and reasserts the same principle. Then the President of the Privy Council, as reported at page 6038 of *Hansard*, had this to say:

> —and that does raise a question whether, if a minister objected and the committee then required his attendance, that would raise issues with which I am not quite sure how to deal.

A little later on the same page:

> The question which arises is whether a committee may summon an official contrary to the wishes of his minister who is taking responsibility for his actions, and in these circumstances, since I have never seen a situation like this, I treat it as a hypothetical question.

I then rose to point out that when I was chairman of a special committee of the House in 1962, that committee summoned the then Clerk of the Privy Council to appear to deal with the War Measures Act, and the distinguished Clerk of the Privy Council, Mr. Bob Bryce, appeared and gave very eloquent testimony.

So there, Madam Speaker, the issue is joined. We say that any person is a competent and compellable witness before this, the highest court in the land or before any committee of this House or this parliament. The government says no, if such a person is a civil servant he is only to be called if the minister in charge permits this to come about. In the name of heaven, what would happen to the public accounts committee in the circumstances? Is it the assertion of this government that public servants who appear and answer for the misdeeds of their department with respect to spending programs can only appear if they get the permission of their respective minister? If there is a discrepancy or a miscalculation, or if there is some skullduggery, it may be corrupt or simply an error.

Are the Prime Minister and the President of the Privy Council saying that if a minister of the department involved says he is not going to have his civil servants appear, then the public accounts committee cannot call them? It seems to be the assertion they are making. But it is not enough to say that public servants shall appear. We are talking about a principle—the right, the assertion, that this House and this parliament is paramount. The government gets its authority primarily from the House and generally from parliament, and it should not be heard to enunciate here the principle that it can prevent witnesses from being called.

I know that what we have now is government of the bureaucrats, by the bureaucrats and for the bureaucrats. Hon. gentlemen sitting opposite may disagree with me, but I hope they do not. I think those of them who regularly attend their caucus and are subject to the discipline of their caucus would be inclined to agree with me if they would only open their hearts and say so in this House. I suggest, Madam Speaker, that the unbelievable complacency of politicians, of the press, of sections of the public toward a kind of government that we are seeing develop by the enunciation of principles of this kind is beyond all description.

We all know that even with responsible government ministers make mistakes. No one has ever urged that a member of parliament has the right in a committee to question a public servant on an issue of policy, or on an issue of confidentiality involving criminal prosecutions, information under the Income Tax Act or information derived from the confines of secrecy in the Privy Council office. That is not what we are asking for. Today governments have become involved in the development of difficult, complex, intricate and complicated programs for legislative purposes and for spending purposes, and they take months and months to develop such programs through information and facts brought to their attention by civil servants and consultants brought in to supplement civil servants. And I suggest to the House that there is no good reason why members of the House both on the government side and on the opposition side should not in committee be entitled to know something of the facts.

A member of parliament is entitled to ask, "What are the facts upon which this decision is based? I am not asking you to tell me why the policy was made, because that is a government decision". No one but the government takes responsibility for policy decisions in regard to bills and spending programs, and the government stands or falls at the next election upon its policies. But as for development of policy and the right to ask questions about facts, it would be an intolerable situation if a committee of this House were deprived of the opportunity of calling a witness to put to him factual questions that fall outside the ambit of that which is confidential.

It is on that basis that I have brought this motion to excite some interest and to find out whether there is support from different parts of the House for it. It also puts the matter into the public domain. As far as the government is concerned, I know its general tendency to be despotic and tryannical will prevent it from giving effect to the proposals I have made. But I hope my motion will initiate a public airing of this issue so that the matter is taken to the people. The only way an issue can be finally settled in a democratic system is to put it to the people. I do so in the clear knowledge to that this party is pledged to bring in laws as to secrecy and with regard to the right to call witnesses and to develop a full and open society. I hope we will get some reasonable discussion, not only in this House but in the country at large, of this major issue.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, it is a pleasure to be able to speak to this motion which has been moved by the hon. member for Peace River (Mr. Baldwin). It is one of his favourite topics and I am sure he has enjoyed presenting it to the House this afternoon. It is surely an important matter of the rights and privileges of members of parliament. It seems to me his allegations in the motion before the House and in his presentation really

bear pretty close scrutiny. For instance, he suggested that witnesses had been prevented from appearing before the national resources and public works committee by the Minister of Energy, Mines and Resources (Mr. Macdonald). As we look at the evidence, and surely he did not substantiate his claim very well, this is just not so. I am aware of no witness who has been summoned by the national resources and public works committee and who has not appeared.

● (1720)

The work of the committee has involved some 20 meetings since January. The steering committee has set out a schedule of witnesses, and whether it has been in respect of the miscellaneous estimates, the study of the international energy agreement, the study of Petro-Can, the departmental estimates or the estimates of Crown corporations and other agencies, representatives of which appear before this committee, in no way has the minister prevented any witness from appearing. Likewise, on some occasion these witnesses have appeared before the committee without the minister or his parliamentary secretary being present.

It seems to me that the question we have before us today is whether the hon. member for Peace River really believes in responsible government. One of his allegations was that we really have government by bureaucrats, for bureaucrats—and I forget the rest of that couplet. I suppose if you really believe that bureaucrats make all the decisions, then, as he feels, he should be able to question them on matters of policy. We do not believe that on this side of the House. We believe ministers are responsible for the setting of policy and they should have to answer questions on policy before parliamentary committees. We believe that civil servants, when they appear with or without the minister or parliamentary secretary, are there to answer questions relating to information or administration.

The first statement in the motion of the hon. member for Peace River reads:

> That this House: Holds that it tends to a contempt of parliament and a subversion of the constitution to assert, as did the Minister of Energy, Mines and Resources before a standing committee of this House in a previous Session, that a minister of the Crown may order a witness not to attend a committee or to withhold evidence from the committee where, in the minister's opinion, the witness has an advisory responsibility to the minister or the government—

Let us go from that and just see what the Minister of Energy, Mines and Resources said on the occasion referred to, and I quote from the record of the national resources and public works committee meeting of December 18, 1973, at page 24:14. He said:

> Mr. Chairman, I might speak to the suggestion concerning Mr. Stabback who is a public servant and in his capacity as a member of the National Energy Board is one of my advisers. I have no objection whatsoever to appearing with Mr. Stabback and having him answer questions on matters of information—

It does not seem that the hon. member has substantiated well his claim that the witness was prevented or ordered not to attend.

Mr. Baldwin: What about what he said on page 33, which I read?

Mr. Foster: The second claim is that the minister was forcing the witness to withhold evidence from the committee. Let me complete the rest of the sentence that I read in part:

> —but as one of my advisers for whom I am constitutionally responsible, I would have to appear when he appears. It should be understood that I will appear with the witness and, of course, I would be quite agreeable but from a constitutional standpoint, he has been acting as an adviser to me and as such should appear in my presence.

It seems to me the situation is that when a committee hearing is taking place, we do not have questions put by members of parliament in a neatly compartmentalized way but, rather, questions that involve matters of administration and policy. If a good committee meeting is to be held with information being supplied, we should have people in attendance who can answer questions on policy and on administration information as well. This is what the minister was saying, that if a member of his department or an adviser to him is to appear, he should be able to attend the committee to answer in respect of matters relating to policy.

The second paragraph of the hon. member's motion before the House this afternoon reads as follows:

> Informs the minister and others of the government that the implementation of this pernicious doctrine by obstruction, threat, intimidation, molestation, offer of advantage, other corrupt practice, or at all, is a crime against the law and custom of parliament—

That is pretty strong stuff. I do not know if that is the kind of language the hon. member for Peace River would normally use, but it certainly does not—

Mr. Baldwin: It is among my mildest.

Mr. Foster: He talks that way on opposition days; however, he did not talk early enough last Thursday, apparently, because that was a pretty weak and pathetic performance. I admit that he probably made the best presentation possible from that side of the House, but it was a pretty weak performance on the whole.

It seems to me that we have very serious allegations in the hon. member's motion this afternoon, but we do not have much substance to back them up. We have a minister of the Crown saying that when there are matters of policy being put before a standing committee to the House of Commons, the minister will or can be there to answer those questions and that civil servants will and can answer questions relating to administration or information. If we look at the proceedings of the national resources and public works committee we will find that on occasion witnesses have appeared without the minister being present and in those circumstances, of course, the witnesses have had to turn aside questions on policy.

Mr. Baldwin: Well coached ahead of time.

Mr. Foster: It is rather interesting that the hon. member for Peace River should have referred to the public accounts committee, because surely there is no other committee that day after day, year after year and committee session after committee session has called more witnesses, deputy ministers and other officials on matters relating to administration. The hon. member really weakened his argument by even raising that matter, because everyone knows how many times officials from every department of

government are called before that committee to give testimony and information.

It seems to me that what is being followed is a long-established tradition of the British parliamentary system. I am not sure whether the hon. member for Peace River wants to move toward the congressional system, with a separation of powers, but under our parliamentary system surely the minister is responsible for policy.

Mr. Baldwin: It beats the Roman system.

Mr. Foster: Knowing the hon. member's great interest in the parliamentary procedure, I find it hard to believe that he really wants to attack our system of responsible government.

Mr. Baldwin: Remember that Caligula made his horse a member of the council. That is the kind of thing we see.

● (1730)

Mr. Foster: In looking at this matter, the hon. member also raised the matter of privilege. I would like to read that section of the *Journals* that concerns those special privileges that members of parliament have. It reads:

> Mr. Speaker, I am commanded by His Excellency the Governor General to declare to you that he freely confides in the duty and attachment of the House of Commons to Her Majesty's Person and Government and, not doubting that their proceedings will be conducted with wisdom, temper and prudence, he grants and upon all occasions will recognize and allow their constitutional privileges.
>
> I am commanded also to assure you that the Commons shall have ready access to His Excellency upon all occasions, and that their proceedings as well as your words and actions, will constantly receive from him the most favourable construction.

So we do have these special privileges given to us from the Crown, and under our system the government has a responsibility to the House of Commons for all the people who work under it in its departments.

The hon. member for Peace River has tried to broaden the motion before us today. As it is written, it refers directly to the Minister of Energy, Mines and Resources and I would like to indicate that the minister has never ordered a witness not to attend a committee meeting, or ordered a witness to withhold evidence from a committee as is alleged in the motion. Records of the work of this standing committee will show that he has co-operated fully in providing witnesses before the standing committee. I really think the hon. member should consider withdrawing the motion because it has no substance, as I am sure he is aware.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Madam Speaker, hearing the hon. member for Peace River (Mr. Baldwin) I was a little uncertain just how to take him because, frankly, I was uncertain as to how he was taking himself. Listening to him I did not know whether he was actually making arguments which were subversive of the parliamentary system and of responsible government as we know it, or whether he was just repeating some tired old arguments for the sake of the reading public. Those who could hear the manner in which he was making his remarks and the lack of effort he put into it in comparison with the effort he usually puts into even his most unworthy causes would have the same doubts as I have. We missed his enthusiasm today.

[Mr. Foster.]

Mr. Baldwin: I was trying to speak seriously, but when I saw the blank faces of people opposite who did not understand the issue I was discouraged.

Mr. MacGuigan: In view of the manner in which he presented his own arguments I tend to think he made a political speech, I do not know whether in the best or the worst tradition. If we were to take seriously the kind of arguments advanced today by the House leader of the opposition, we would have no responsible government left.

Up to a point he is entirely right in what he says. He says that it is the undoubted right and ancient privilege of this House that all witnesses who attend before this House or before any committee of this House have and enjoy the privilege of this House in coming, staying and returning. All this is right, provided he makes what he says subject to responsible government.

I should also add that there is one other aspect of parliament's power which is not being questioned here today and which I am sure is common ground to all parties, that is, the power of the whole House to summon before the bar of parliament any person in the country for an accounting of his actions. Parliament has not chosen to exercise that right very often, but I think that it includes even civil servants in a case where, because of some individual action of a public servant, the whole House decides to call him before the bar of the House in such a case the public servant would be required to attend. That is a very unusual situation which is not under discussion here this afternoon.

The House leader of the opposition is attempting to make it a rule that parliament, without any reference whatsoever to the doctrine of responsible government, should have the right to summon any public servant before it. That is not only not the intolerable situation he asserted it to be but in fact it is the unbroken tradition of parliament that it is the government that is responsible for the actions of the public service, and that it is the minister to whom the public servant is responsible who has not only the option but indeed the duty to appear before either the House or the committees of parliament to account for the actions of his public servants.

The House leader of the opposition and I have even sat on some of the same committees, and we have both observed the same things, namely, that when a public servant is summoned before a committee, he is normally accompanied by his minister. The minister may choose to answer most of the questions or he may choose to inform himself of the facts from the public servant who may be there speaking into his ear. In fact committees have sometimes halted proceedings while a public servant has an opportunity to acquaint his minister fully of the matter being discussed. That is the way the system operates—it operates through the minister. On those comparatively rare occasions when a public servant appears before a committee without the support of his minister, it is by advance permission and with the knowledge of the minister.

The House leader of the opposition has sat on various committees with me, among others on the Special Com-

mittee on Statutory Instruments and I believe also on the Special Joint Committee on the Constitution of Canada. In both these committees we heard public servants who were unaccompanied by their ministers, but this was done with the knowledge and authorization of the ministers. In fact I can recall speaking to the ministers on those occasions to see whether they would have objections to their public servants appearing on their own before the committee. Because of the limited nature of the inquiries that were being made and the fact that where a policy was involved it was so well-known that it was thought no confusion could arise, the ministers said that it would be perfectly all right with them if the public servants appeared on their own.

In case of the Public Accounts Committee as my colleague, the hon. member for Algoma (Mr. Foster), said, it has enjoyed the greatest possible freedom in the investigation of witnesses, a freedom I am sure all members of the House would like to see continued. But the fact is that it is the minister who is responsible. If the minister chooses to appear on his own, or chooses to appear with his public servants and to take full responsibility and fully explain to the parliamentary committee what has happened, that is the minister's responsibility.

Mr. Baldwin: Would the hon. member permit a question? I would like to ask the hon. member a question regarding his interesting comments. I hope it is taken off his time because he is entitled to full time. Does he urge the adoption of the principle with respect to the Public Accounts Committee that if a minister see fit to instruct a public servant who had been asked by the committee to appear before it not to go, the public servant would not be allowed to appear before the committee?

Mr. MacGuigan: In my opinion, if the minister refused permission for that public servant to appear before the committee, it would be the minister's responsibility, and he himself would have to explain to the committee why he did not allow the public servant to attend. The minister would have to take the political consequences of his decision. That is what the discussion is all about, the responsibility of the government for the political consequences.

Governments cannot escape their responsibility merely by allowing some public servant to take the rap, at least if it is a matter which involves the normal implementation of government policy. There may be an unusual situation where a public servant has been indulging in a frolic of his own for which he himself deserves to bear individual responsibility, but in a case such as that the government would want to cut that man loose from its protection. However, in a more normal situation it is the government which has responsibility, before the committee and before the House, as well as before the public.

I am pleased the House leader of the opposition has cited the origins of the doctrine of responsible government in Canada, the doctrine which those great Liberals, Baldwin and Lafontaine, brought to this country, and which had been developed earlier in Britain as a result of the actions of earlier Liberals. It is a doctrine to which we on this side fully subscribe. I hope the fact that the other party came later to it in historical sequence does not mean that their devotion to it is any less, but that they are prepared to join with us in re-affirming the fact that this is not only a parliamentary democracy, but that it is also one based on responsible government.

● (1740)

Obviously there have to be some bounds to responsible government, and there can be some argument as to the difficult cases, but the kind of case to which the House leader of the Official Opposition is referring is not a difficult case. What he is proposing is flying against the mainstream of parliamentary tradition. It is not a doubtful or difficult case at all. He is proposing that a committee should have the right to summon a public servant apart from his minister. If the doctrine of responsible government means anything it means that the minister is the one who is primarily responsible; he is the one who has the duty to answer for his public servant and the actions of his public servant.

I often wonder what is behind this attack, and others of this kind, by hon. members opposite. I suspect that their motivation is very political. In view of the kind of declarations we hear from the hon. member for Peace River and sometimes from the hon. member for Rocky Mountain (Mr. Clark), members who, certainly in the case of the hon. member for Peace River, understand the parliamentary system so well that we can hardly believe that they stumble unknowingly on these positions which they are putting forth, I suspect that there is a kind of design on the part of hon. members opposite to confuse the public about what is happening in parliament today, and to suggest that there is something completely unwarranted happening.

We hear cries from those opposite that the parliamentary system is being changed into a presidential system. They present the parliamentary system as it should be in terms of, for example, Bagehot's "Constitution of England," of 1867, which, as hon. members opposite well know, describes the British House of Commons for a period of some 30 to 40 years between the first and second reform bills and only that period of parliamentary history out of the 300 or 400 years of parliamentary history.

During all the rest of that period the meaning of parliament has carried with it a certain supremacy of the executive, often too much, and I often join with hon. members opposite in suggesting ways in which the powers of the executive should be limited. I might say also that I join with them on many occasions in suggesting that the principle of open government is of crucial importance to the future of democracy in this country, but I cannot go along with hon. members opposite when they try to depart from these valid principles and valid suggestions about the needs of parliamentary democracy today, and to perpetrate on the people—and I think it is nothing less than a perpetration—extensions of those doctrines and distortions of what is happening so as to suggest that the government, in effect, is not following parliamentary tradition.

We are here dealing with the mainstream. We are not talking about doubtful cases at all. The hon. member opposite, if he were to be taken seriously, would be making a subversive attack on the very foundation of our system of parliamentary democracy. I do not think he

intends to go that far. Indeed, I am sorry to say that I think his motives are somewhat less worthy than that in the sense that I think he is not speaking here as a statesman but as a politician, and I am sorry that he chooses to act as a politician in a matter which is of such basic importance to our country, a matter on which I think parliamentarians of all parties should speak with a united voice.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, it is not my intention to get into the argument which is taking place between the hon. member for Peace River (Mr. Baldwin) and those on the other side of the House. With respect to the last remark of the last speaker, it seems to me that it is one we often hear. The other fellow is always the politician; the one who has the floor is always the statesman.

An hon. Member: It certainly is true in this case.

Mr. Knowles (Winnipeg North Centre): Is my hon. friend saying it is true right now?

An hon. Member: The previous speaker.

Mr. Knowles (Winnipeg North Centre): Madam Speaker, I cannot even get a compliment when I set it up and ask for it, because I am on the other side of the House.

Mr. Cullen: When you get to the Senate we'll call you a statesman.

Mr. Knowles (Winnipeg North Centre): Oh, my goodness! Not only are they unwilling to pay me a compliment; I am now being insulted.

Mr. Baldwin: That is a compliment.

Mr. Knowles (Winnipeg North Centre): I said when I first rose that I was not going to get into the argument. I am not sure there is much of an argument, when one pulls brushes aside the words and the epithets which are thrown back and forth. I think there is agreement on both sides that the general system of responsible government we have is a good one, and that on both sides of the House there is a desire that responsible government should really work.

I rose, however, because I have the feeling that one of the reasons why we have this kind of motion before us, and one of the reasons why we have had a number of discussions lately about how things proceed in committees is that there is a certain amount of unhappiness, certainly less than happiness, about the way some of our committees are functioning. We in this House are aware that the amount of business we have to do in the course of 12 months is so voluminous that it is not possible for all of it to be done here. This means we have to make greater use of the committees than has been the case in years gone by. If we are to make greater use of committees, they are going to have to work. Therefore when things happen in committees which we do not like, there is this feeling of unhappiness.

I want to speak only for a minute or two, and I will not go much longer than that, Madam Speaker, because you will probably wonder whether I am in order or not. I will get it over before you rule me out. I just want to say that I think one of the reasons why there is unhappiness about committees and that this unhappiness produces this kind of motion, is that our committees are too crowded in their operations. This leads me to the pitch I have been making for a good many years, and that is why I took the floor today. I think we must organize our work so that there are occasions—for example, a week at a time—when the House does not sit, so that committees can be at the centre of the stage and have time to do their work without the members of those committees being concerned about having to be in the House or having to do other work on those days.

[Mr. MacGuigan.]

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): This is not a new idea. I said that I have proposed it a good many times. I was not the first to propose it, but it seems to me that there is agreement that it is a good idea. I was applauded for it just now. There is agreement on this proposition, yet we never seem to get around to doing anything about it. The successful working of the committee system is important. That includes the right to question the witnesses who appear before them. But I think it is terribly important that we find better ways to accommodate the work of our committees, and I hope we will do something about this very soon.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I just want to say that the hon. member for Winnipeg North Centre (Mr. Knowles) in a very statesmanlike speech made a suggestion with which I am in wholehearted agreement. I think there ought to be more time for committees so that they can function without having to worry about the operations of the House of Commons, which does tend to dominate their activities, particularly since the amount of work now going through committees and the importance of that work have become so fundamental to the proper functioning of the House of Commons.

I believe that the House of Commons has lost its capability to deal with the amount of work which has to be done. As a result, it will have to consider its own operations with a more clear eye as to what is actually going on, the kind of work which the government is increasingly putting before it, and the frustration of the House in not being able to process that work in a way which is becoming to the House, to the members, the committees and, indeed, to the institution of parliament.

● (1750)

I believe, therefore, that the motivation which has led to this particular resolution on the order paper is a genuine one. It stems from the frustration as to the proper relationship between the House of Commons and committees. It stems from a frustration that members feel about the operation of committees and the lack of knowledge as to what the powers, authority and privileges of the committees are vis-à-vis the House of Commons.

We have seen over the last week where His Honour the Speaker has had to deal with a number of motions hon. members have brought forward regarding conflicts in the standing committees. Many of us feel that the conflicts are

not going to be resolved in the standing committees until we work out some system by which members agree that solutions reached in committee are equitable and fair.

I feel that the current system of appointing chairmen, and the way committee business is handled by the steering committees and committees themselves, leave a great deal to be desired. We have to look for substantial reforms in this area.

I want to deal more specifically with the proposition advanced by the hon. member for Peace River (Mr. Baldwin). At the start I think we should make clear what he is talking about. In his motion the hon. member alleges that the committee has been tampered with in so far as a member of the Public Service, and adviser to the Minister of Energy, Mines and Resources (Mr. Macdonald), was not permitted to testify before it. I would say that a committee of the House of Commons has certain rights to command the attendance of certain people before it to give evidence on certain subjects.

Mr. Baldwin: It is a very dangerous doctrine.

Mr. Reid: I would say that when it comes to compelling people to appear before the committee, the committee does not have that power. It is within the power of the House of Commons, however, to compel somebody to appear either before the bar of the House or before a standing committee, but a committee itself has very limited powers in that area. Let me give an example, Madam Speaker.

Committees are generally given the power to summon persons, papers and records. We have seen a number of examples of those powers being exercised. When a committee has before it the estimates of a government department, however, or a bill of the House of Commons, then it seems to me that the only witness a committee has power to compel to attend is the minister who has sponsored that legislation in the House, or the minister who is responsible for the estimates for which he has signed and which are before the House, and which the House has referred to the committee.

In our system ministers are responsible for decisions taken; civil servants are not responsible for decisions taken. That is why ministers sit in the House of Commons, it is why they answer questions and why they take responsibility. If we were to accept the doctrine that civil servants were responsible for these decisions, then perhaps civil servants should be invited to sit on the treasury benches in this House of Commons so that they could be responsible to the House.

That is not the system, however. Our system is clear, exact and precise. Decisions are taken by ministers—they are imputed to have been taken by them even though they have not in fact been taken by the ministers. Ministers stand and fall in the House of Commons defending those decisions taken by them and the advisers who work for them and under their authority.

I recall one occasion when a minister was in deep trouble in this House over a decision that had been taken by his advisers, and about which he had not been aware. He told me, "There are at least 92,000 public servants in my department. If by nine o'clock in the morning Ottawa time one of them somewhere has not got me into trouble over something, then obviously the department is not doing its job." He acknowledged that he accepted responsibility for the activity of public servants engaged in implementing policies to which he had given concurrence, and implementing decisions in which he had participated with his colleagues.

I think we should make it quite clear that when a minister's estimates are before a committee, or when a bill is before a committee, that committee does have the power to compel the minister to appear before it, or a representative of the government to appear before it. I would even go further and argue that if a committee wished to have outside advice from somebody who is beyond the government pale, somebody who is an expert in the university or business field, the committee would have power to compell him to appear before it and give testimony. But I make a clear distinction between the committee's power to do that and the power the committee has to compel members of the government to appear. I believe this is an important distinction, because in the case of the government it is crystal clear that employees are responsible for the activities, responsible for their proposals—which after all is what the estimates are and what a bill is. The people brought in by committees—and they do this and it is a desirable practice—are there to give testimony to the committee within the bounds of their specialized knowledge. That is one of the reasons why committees have taken advantage of this, to call people before them, some of whom have not always been happy to appear, but whose testimony has been valuable.

I can recall a number of instances when I was chairman of a committee when in order to obtain information on what was going on we requested the presence of an individual who had prepared a report for the government on a particular subject. That gentleman came before us and gave testimony on what we wanted. We found his testimony quite useful. We did not get the government report we wanted, but we got the use of the expert witness who had immersed himself in the subject and who was not in the public service. Madam Speaker, I see it is six o'clock.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Non-Canadian Publications

GOVERNMENT ORDERS

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, just before the supper recess I had been reviewing Bill C-58 and the effect it will have on non-Canadian newspapers. As an example I single out the Red Deer *Advocate*. I understood the Secretary of State (Mr. Faulkner) to say before supper that in his opinion the bill does not pertain to the Red Deer *Advocate*, even though it is wholly owned by a group in England. Having read the bill I see no foundation for the Secretary of State's statement about the Red Deer *Advocate*.

I submit that proposed section 19.1 will apply to advertising space in the issue of a non-Canadian newspaper or periodical. I particularly emphasize the word newspaper. The definition of non-Canadian or Canadian, as the case may be, turns in part on share ownership. Three quarters of the issued shares must be Canadian if the publication is to be considered as Canadian owned.

I draw attention to these facts as I feel the present language of the bill is too all-encompassing. It affects both periodicals and newspapers and casts a net, so to speak, which catches newspapers like the Red Deer *Advocate*.

We should remember that Canadian newspaper and publishing companies are healthy and prosperous and, to put it mildly, large. According to the latest figures available, four of our largest publishing groups enjoyed sales of $546 million in 1973. Those four groups consist of Thomson Newspapers Ltd., which made $157 million worth of sales in 1973; the Toronto Star Limited, which sold $94 million worth of goods that same year; Southam Press Limited, which enjoyed sales of $183 million, and MacLean-Hunter Limited, which enjoyed $112 million worth of sales. The 1973 revenues of these companies were substantially larger than their 1972 revenues, and I understand the 1974 figures will be even larger.

One cannot suggest, surely, that a foreign-owned newspaper like the Red Deer *Advocate* is a serious threat to Canadian newspapers. I just indicated how large are the revenues of our four largest publishing groups. It goes without saying that they are Canadian-owned, and the number of shares held by foreigners is not meaningful. This being so, I find the position of the Secretary of State strange. He insists on the inclusion of periodicals and newspapers.

We should compare the earnings of some foreign publications with the earnings of our own. Although I do not have available the figures for Time Canada, I do have available those for Reader's Digest Association of (Canada) Ltd. Compare the sales of MacLean-Hunter Limited of $112 million for 1973 with the sales of *Reader's Digest* of $28 million during the same period. Clearly, although some foreign newspapers or periodicals operating in Canada have been given income tax advantages, our Canadian companies are healthy and doing relatively well.

[The Acting Speaker (Mrs. Morin).]

● (2010)

Another point I would like to touch on is the fact that we must be very careful in discriminating against foreign investment in this country, and perhaps even more so in discriminating against the investment of foreign concerns in newspapers or periodicals. We are coming into a world environment where many countries are tending to be much more nationallistic in their attitudes with regard to trade and investment in their own countries. The United States, for example, which has been among the world leaders in encouraging other countries to keep relatively free as far as trade is concerned and also to open up with regard to foreign investment, has now shown for the first time a distinct trend in favour of restricting foreign investment in the United States.

Canada, being one of the largest if not the largest investor in the United States, has to be exceedingly cautious in doing something that may inadvertently cause more and more concern in the United States with regard to our investment in that country. I refer to the fact that congressmen who are presently greatly exercised over the danger of foreign acquisition of United States companies and strategic natural resources in the United States have introduced nearly three dozen bills to curb foreign investment in recent months. The most widely publicized bill, one written by Senator Harrison Williams, a Democrat from New Jersey, would give the President authority to veto foreign acquisitions of more than 5 per cent of the stock of virtually any publicly-owned corporation in the United States.

The Williams proposal has been sponsored by eight senators who represent almost the full spectrum of political opinion from liberal Democrat to conservative Republican. Since the Williams bill does not need the President to allow the takeover of one domestic corporation by another, it overtly discriminates against foreigners who might be interested in investing in further concerns in the United States.

In short, as I indicated earlier, this bill, in setting up some type of content rule with regard to what magazines or newspapers will be considered to be Canadian, is getting into a grey area that may lead to some limitation of freedom of the press in this country. This, I suggest, we must resist. In any event we must resist the broad spectrum that is thrown out by this bill which includes newspapers as well as periodicals. Surely a paper such as the Red Deer *Advocate* does not have to be caught up in the provisions of this bill as it is now before us.

Finally I suggest in the broader sense that we must be cautious that we do not provoke retaliation in the United States or in any other foreign country, be they countries in which we are presently investing or not. The retaliation, I suggest, would come in the form of resistance and restrictions against further investment by ourselves in those countries.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I welcome the opportunity to participate in the debate on Bill C-58. With the exception of capital punishment and abortion, this bill has given rise to more correspondence than any other subject that has been debated in the House since I came here in 1972.

The majority of my letters have been with respect to *Reader's Digest*. With one exception they have all been opposed to the legislation. I had fewer letters in connection with *Time* magazine, but here again of all the letters I received there was only one that was in favour of the legislation.

Mr. Baker (Grenville-Carleton): And that was from the publisher.

Mr. Neil: My hon. friend said that was from the publisher. I was very interested in reading the remarks of the minister as recorded in *Hansard* for Thursday, May 8. I wish to quote from page 5592, the first paragraph of the minister's speech, as follows:

It seems to me it is a fact that in any free society, magazines significantly influence the development of the culture, the national sensibility, the free play of ideas and exchange of views and the critical faculties of its citizens. One might say that the part magazines play in this process is perhaps not as directly influential as television or films, but that may be largely a matter of taste and circumstances. Certainly, if one can judge by the views expressed by hundreds of persons who have written to me during the past few months about possible changes in the income tax law affecting advertising in periodicals, magazines are a very important factor indeed in terms of developing and nurturing a distinctly Canadian culture and identity.

I was impressed by the words "a free society" because that is what every man, woman and child in Canada is concerned about today; a free society, a society in which we have freedom of expression, freedom to move about, freedom from fear, and freedom to read whatever books, magazines, periodicals or newspapers that one wishes. All these are freedoms which individual Canadians hold dear. We should have a free society that creates an atmosphere which lends itself to a natural and gradual development of a culture, unencumbered by government legislation and regulations.

You cannot legislate culture. All a government can do is create an atmosphere which lends itself to the development of the richness of one's culture. Culture in a nation such as Canada, which is young in years, has to evolve with time. It develops as a result of the intermingling of the ideas and customs of those various ethnic groups who came as immigrants to Canada to meld their thoughts, ideas and cultures into the mosaic of our society.

Bill C-58 will not do anything to add to our distinctly Canadian culture and identity, as the minister put it. This legislation has one purpose and one purpose only, to assist the Canadian periodical industry. Development of our cultural society is secondary and very minor in the mind of the government. I wish to quote again from page 5592 of *Hansard* where the minister, talking about the Canadian owned periodicals and the industry, said:

The difficulties facing that industry have for some time been a matter of concern to my department and to me; for some months now, we have been engaged, in co-operation with the industry, in the development of a plan of action aimed at finding solutions to certain of its problems. I regard the amendment proposed in this bill as an important element of that plan and one that is essential to its success. . . . It is not a negative decision if it leads to positive results; when it is seen as a stage in the development of a program of effective government assistance to Canadian periodicals about which I shall be speaking a little later.

In other words, the government is not concerned about the cultural aspect of the magazine industry. It is concerned about assisting the publishing organizations and the periodicals that are published in Canada today.

● (2020)

Later in his speech the minister said that *Time* and *Reader's Digest* have an unfair advantage over Canadian periodicals. What is this advantage? My reading of the present law is that these foreign-owned periodicals compete on an equal footing with *Maclean's* and all other Canadian magazines. The only advantage they have is an advantage with respect to other foreign magazines. So what is the problem?

Why is the Canadian magazine industry in difficulty, if it is in difficulty? After listening to the remarks of the hon. member for York-Simcoe (Mr. Stevens) I doubt whether it is in real difficulty judging from the profits the Maclean-Hunter organization has made, for example. It is not the lack of advertising dollars.

I went down to the Parliamentary Library this morning and thumbed through the most recent issue of *Maclean's*. Between one third and one half of that magazine is taken up with advertising—I suggest it is a larger percentage of advertising than most magazines carry. Basically, people buy magazines to read the articles, not for the sake of the advertising and, frankly, it is annoying to have to search through the advertising to find the continuation of articles.

As I say, people buy magazines to read the articles, and this is where Canadian magazines have fallen down. They do not carry articles which the general public finds interesting or informative. They carry articles which in many cases are biased, and in others, critical articles which are never complimentary of our public figures, our society or our way of life. If it is poor circulation these magazines complain of I submit it is not the fault of competition but the fault of editors failing to keep their finger on the pulse of the nation so as to know what the public wants.

I should like to comment on a number of other statements the minister made during this debate. As reported at page 5593 of *Hansard* on May 8 he talks about the world view of Canadian readers being influenced by United States periodicals. Surely Canadians are intelligent enough to read foreign periodicals, whether American, French, German or others, and understand that in most cases, in their editorials at least they are inclined to be biased in favour of the country of origin. Surely adult Canadians are intelligent people who can assess the comments made in these magazines and draw their own conclusions.

A short time ago I had occasion to speak to a group of servicemen. The first thing they said to me was, "Make certain you vote against that legislation because we want to see *Time* magazine continued." I questioned them, and they said, "We agree it is inclined to be somewhat biased toward a United States view but, on the other hand, it is the only magazine where we can get in summarized form an overview of what is taking place in the world; we

discount it and still find it is a good source of information." Does the government have to protect the public by shielding them from news reports or features it doesn't like? It seems as though this is the case.

I was listening to Canada-AM a short while ago. A prominent provincial Liberal was appearing on a panel discussing newspaper reporting and periodicals in Canada. He was complaining that most newspapers and many periodicals did not act in a responsible manner in reporting the news. He felt the government of Canada should set up a Crown corporation along the lines of the CBC to publish a newspaper throughout Canada in order that Canadians could get a proper view of the news. What a lot of nonsense! Heaven help us if it ever comes about.

Later on, as reported at page 5593, the minister said he did not want to see the continuance of a practice whereby the stories and articles reported in the French language Canadian edition of the *Digest* were translated outside Canada. Mr. Speaker, it is my understanding that a good deal of the translation of government papers and documents is done in France, or in New Orleans in the United States. If what I am saying is correct, how valid is the minister's statement?

There are many other points I could raise, but I do not wish to repeat what has already been said by other members. I do, however, wish to commend the hon. member for Vaudreuil (Mr. Herbert) who gave us a comprehensive review of advertising revenues, circulation figures, capital investment by *Reader's Digest*, employment created by that magazine in the Province of Quebec, and so on. I would also commend for reading by the minister a letter regarding *Reader's Digest* and *Time* circulated to all members by one of his own supporters on the government side, the hon. member for Vancouver-Kingsway (Mrs. Holt). That hon. member is a writer, and I believe she expresses the fear of many Canadians when she says:

> At the very time when free societies are being swallowed up in the Communist thrust to achieve its proclaimed aim—world domination—this action is symbolic of a concerted effort to alienate an old and strong ally and Canada's closest friend, the United States. One wonders if we are not being used by the small but vocal Toronto-based anti-American clique.

This should be read in the light of the statement by Senator Keith Davey when he talks about "a window on the world through American-tinted glass".

I believe in a strong Canadian magazine industry, but it should be an industry which is built on competition, an industry which is based on public demand in terms of content, not of what a few intellectuals think is right for the public to consume. If a magazine is responsible to the wishes of the public and publishes what the readers find interesting and educational, it will be in demand and achieve popularity. Consequently it will be profitable and able to compete on an equal footing with other magazines and periodicals.

In closing I should like to read a letter from a constituent of mine. It is typical of many letters I have received, and I believe it is typical of the feelings of the majority of Canadians. It comes from Mr. H. D. Wilson of Moose Jaw. It is dated March 10, and it reads:

[Mr. Neil.]

> Dear Mr. Neil:
>
> This is to advise that as a lifelong subscriber to *Reader's Digest* and *Time* magazine I take a dim view of the government's current effort that may deprive me of my major sources of pleasant, meaningful and informative reading.
>
> I have no reason to feel that either magazine has deliberately omitted anything Canadian that might be newsworthy, pleasurable, entertaining or informative. Both seem to fill the gaps left by Canadian magazines, newspapers, radio and television.
>
> I do not subscribe to either magazine because of their Canadian content but rather for their detail in American and worldwide coverage.

● (2030)

> I would be deeply appreciative of anything you can do to help ensure that these two time honored magazines continue to be available to me and my fellow Canadians.

Mr. Ron Huntington (Capilano): Mr. Speaker, the sheer volume of mail on the subject of these amendments to section 19 of the Income Tax Act forces me to speak on behalf of my constituents. I am one who has always enjoyed the arrival of my *Time* magazine. It gave me a quick overview of Canadian news and a very quick perspective of world affairs and how they related to me as a Canadian. As for *Reader's Digest* I seldom purchased a copy; I always managed to borrow one of the family's or finish reading it in a doctor's office or, heaven forbid, a dentist's office.

I now find myself as a new member of the House of Commons participating in a debate determining the future of these two magazines, along with others, that will be affected by Bill C-58. We are not just talking of *Time* and *Reader's Digest*, as we have a tendency to think. There are other foreign owned publications that will be affected by the revocation of section 19(2) of the Income Tax Act. For example, there is the Red Deer *Advocate*, the Chilliwack *Progress*, the Abbotsford *News* and the Fraser Valley *Record*. These are all owned by the Liverpool Post and Daily Echo Limited. In addition, in the periodical field there is *Modern Medicine* and a magazine entitled *M.D.* The former is now printed and published in Canada by Southam under a licence from the New York *Times*, and I believe there is now a 50 per cent ownership on the Canadian operation.

It would be impossible for Canadian editors and writers to write the input of periodicals like *Modern Medicine* and *M.D.* because what our professionals in those disciplines are trying to achieve is a perspective and insight into what is going on in other countries and among people in other countries who are writing in certain fields of research. These are all institutions and media that will be affected by the bill we are debating here this day.

The Secretary of State (Mr. Faulkner), in a release dated March 26, pointed out that successive Canadian governments have considered the action we are discussing, since 1960. In that year Senator Grattan O'Leary, head of a royal commission, urged that the country develop a self-sufficient national press. I should like to quote one point he made which the Secretary of State quoted in his release on March 26. He said:

> Only a truly Canadian printing press, one with the feel of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue, which are indispensable in a sovereign society.

The commission at that time concluded that:

A nation's domestic advertising expenditure should be devoted to the support of its own media of communication and a genuinely Canadian periodical press can only exist if it has access to a fair share of domestic advertising.

Another quotation from the commission used by the Secretary of State in his March 26 release is the following:

It is largely left to our periodical press, to our magazines, big and little, to make a conscious appeal to the nation to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered communities.

I remind hon. members that these very sincere words were written in 1960 by a royal commission of that day. The Secretary of State has made use of these words as the basis for his move to remove special status from *Time* and *Reader's Digest* in Canada. The Secretary of State has pointed out in this release that *Time* and *Reader's Digest* took over half of the total of Canadian advertising revenue earned by 14 member magazines in the Magazine Association of Canada. In an address at Trent University on January 24 the Secretary of State said this:

—the real problem area is that occupied by the smaller special interest magazines which are just getting by or are having trouble staying alive.

He is not really basing his reasons for this legislation on the magazine industry per se. He is extremely concerned about those small magazines that are just getting by. He leaves out of his consideration the Magazine Association of Canada group of 14 who are actually doing very well in the Canadian periodical and magazine market. In his address at Trent University he went on to say this:

These are the magazines that attract a limited number of readers and have little hope of substantial commercial support through advertising. They are dependent almost totally on readers' response and publishers' support for their financing. The former is rarely sufficient to cover costs and most of them require financial assistance from governments, associations, groups or private individuals to keep going.

Yet here we are today, Mr. Speaker, placing emphasis on legislation that is going to risk the continuance of two major magazines on the Canadian scene. It appears to me that the real pressure has come from the Canadian Periodical Publishers Association, which in March of 1973 had only ten members but grew to some 58 members in September of 1974. I have reviewed this list of members and magazines belonging to the Canadian Periodical Publishers Association and, without doubt, many of them are extremely sincere in their efforts to try to interpret some aspects, some limited aspects, of Canadian life. However, their position in the Canadian reading scene in no way relates to the importance that we seem to be giving to them in Bill C-58.

In light of the review I have made of this list of some 58 members of CPPA, I sincerely believe that we should look seriously into some more facts in order to round out a sound and solid perspective before we work *Time* and *Reader's Digest*, and other papers and periodicals that I have mentioned, perhaps right out of the Canadian reading scene.

It seems to me that there has to be a more positive perspective and approach to resolve the dilemma that I find myself in this debate. If these small magazines can survive, we should do all we can to assist them through our taxation laws, rather than adopt the course of direct government involvement through subsidization. I sincerely believe that subsidization of magazines and papers and other reading material for Canadians has some very serious, inherent dangers.

According to Charles Lynch, magazines just cannot live on nationalism alone. He has also said that if *Time* and *Reader's Digest* disappear from Canada there is no guarantee that Canadian readers would either like or buy a domestic product that seeks to take their place. I personally do not find *Maclean's* magazine to be the type of reading for which I have time as it just does not fill my needs. I am sure I am not alone in that, although I respect the fact that there are others, because of its circulation, who find it completely satisfying. Are we going to cater to just one class, or are we going to cater to all the inputs which are available to Canadian society?

● (2040)

As Charles Lynch said in the *Province* of January 25:

When governments enter the picture subsidies cannot be far behind, and government subsidies in the field of publication almost invariably are bad news, never more so than when they are coupled with appeals for patriotic support of the publications in question.

An editorial in the Ottawa *Journal* recently stated:

Governments should not be in the business of magazine or newspaper publishing, by almost outright subsidization.

Why do we keep subsidizing and thinking we have to support inefficiency in this country? What is wrong with placing incentives into this line whereby we support and reward the people who are successful? What troubles me is trying to reach a perspective in this debate, and I would now like to review with you some of the redistribution of advertising revenues that would be available if Section 19(2) were revoked by Bill C-58.

The total advertising bill in Canada is approximately $1.5 billion, and of this the daily newspapers receive slightly less than one-third, that is, 28.6 per cent, or approximately $500 million. Television receives 14.1 per cent, or about $250 million; radio receives 11 per cent, or around $175 million; business papers, I am surprised, only receive 2.4 per cent of this total advertising bill or $38 million; general magazines receive 2.3 per cent or around $37 million, and the weekend magazine supplements that we get with our newspapers receive 1.6 per cent of the total revenue, or about $26 million.

It is estimated that *Reader's Digest* would lose some 64 per cent of its revenue if this bill became law. The survey by Canadian Facts Co. Ltd. indicates that of the revenues diverted from *Reader's Digest* and *Time*, 19 per cent would go to other magazines, yet this entire debate seems to rest on the rediversion of the advertising revenues that these two great magazines have, as the sole source of salvation for a lot of independent periodicals that probably, with all the help in the world, could not sustain themselves legitimately under legitimate sale and purchase arrangements among the Canadian public.

Of that 19 per cent the major beneficiary would be Maclean-Hunter which now holds 40.1 per cent of the revenues shared by the Magazine Association of Canada, which is a group of 14 major magazines in Canada. Some 41 per cent of this diverted revenue would go to newspapers, magazine supplements, television and radio. I would

repeat that 41 per cent of the diverted revenue, as a result of passing this bill, would go to existing newspapers that already have 28 per cent of advertising held in Canada, magazine supplements, television and radio. Twelve per cent of this diverted revenue would go to other forms of promotions and advertising.

I really think that these facts are indicative of the need for us to take a good second look at this bill to make sure we are on the right track. As I have said, it is estimated that *Reader's Digest* would lose 64 per cent of its present revenue.

I have just given you the redistribution of that revenue which in no way seems to indicate a re-organization or re-allocation of the revenue in the direction the Secretary of State would like.

Another factor we should keep in mind is the area of growth in this list of media I have presented. Where are these areas growing, in the total concept of the advertising dollar that is available? I should like to put on the record some figures covering the period from 1960 to 1974.

During that period the daily newspapers have grown by 170 per cent, and television has grown by 350 per cent. If we took a close look at the situation I think we would find that television is the major villain as far as periodicals are concerned and the reading time of the Canadian public.

During the same period radio has grown by 250 per cent; business publications have grown by 48 per cent, and the general magazine industry, to my surprise, has grown 76 per cent. In 1960 it had a revenue of $21 million whereas in 1974 its revenue was $37 million.

Although magazine revenue has grown in terms of dollars, and I have not corrected these dollars to constant 1961 dollars, the paid consumer market share during that 14-year period from 1960 to 1974 fell from 3.8 per cent to 2.3 per cent of the market, a drop of 1.5 per cent, I believe. During that same period the total dollar growth for newspapers has been 18 times that of the general magazine category. Television has been 11 times that of the same general magazine category while radio has been eight times. As I mentioned, television seems to have affected magazines perhaps more than any other media.

In 1954 Canadian magazines enjoyed 4.2 per cent, or $14.2 million of total revenue. In 1960 this dropped to 3.8 per cent, and in 1965 to 2.6 per cent, but in the 1965-66 period there was a turn-around and Canadian magazines increased their percentage of that market by .1 per cent, and it climbed to 2.7 per cent in 1966. In 1974, however, it had slid back to 2.3 per cent, or $37 million. In the meantime in 1954 television revenues were $8.6 million, and in 1974 they were $225 million.

I know statistics and figures are boring, but in light of these figures I do not think we can afford to rush this bill through. I think the perspective for 1974 was much different than the perspective for 1960 when this royal commission report came out.

I mentioned earlier in my speech that the 14 magazines belonging to the Magazine Association of Canada have enjoyed a healthy growth. The one with the largest growth has been *Miss Chatelaine* by 838 per cent. Second to *Miss Chatelaine* was *Time* with 115 per cent. *Reader's Digest* had a growth rate of 37.9 per cent in the period from 1965 to 1974.

● (2050)

The total growth of the Maclean-Hunter publications between 1965 and 1974 was $6.3 million, or a growth performance of 68 per cent for that group which already controls 40.1 per cent of the advertising dollar in that category. The total growth of *Time* was $5.8 million, or 115 per cent, as I have already mentioned, and the total growth of *Reader's Digest* was $2 million, or 33.8 per cent in the period between 1965 and 1974.

It is probably worthy of note that *Reader's Digest* has been an exceptional corporate citizen. They are reaching for a 30 per cent Canadian editorial and subject matter content in their publication. As we all know, they print an English version and they also have a French version, *Sélection du Reader's Digest* which costs them a subsidy of $157,000 per annum. I think they are an organization which has tried to play the game and they have been very aware of and sensitive to the wishes of the House and of the Canadian people.

I do not want to appear to be affected by their lobby, but I have read the material presented to me quite objectively and I think it is a sound argument for the minister in charge of this bill to take a good second look at before this legislation becomes law.

In this period also another factor has affected us. There has been a rapid growth of major free distribution magazines with advertising revenue in 1974 of $10 million, with total copies per issue in 1974 reaching 2.7 million. This is a sizeable entry into the market for the advertising dollar in Canada and I wonder if it is truly part of the considerations behind this bill. One has to conclude that magazines are still in the process of establishing their medium as a viable competitor to the other media mentioned.

I have mentioned the position of newspapers and particularly of television and radio as the true competitors of the periodical industry, and the establishment of a truly Canadian owned periodical industry in Canada. The Association of Canadian Advertisers had something to say on this subject. Their members are responsible for some $400 million worth of advertising placed in Canada. They have stated that the proposal to rescind Section 19 (2) of the Income Tax Act would:

> . . . tend to weaken the whole magazine field as a medium in Canada compared to the strength of television, radio and daily newspapers.

I urge the minister to look at these facts seriously when he considers this bill and the amendments to it in committee.

The question now before the House would appear to be to provide such legislation guidelines by which the industry can attain a final maturity as a medium deserving the lasting respect and support of the Canadian reading public and those wishing to reach that audience through advertising. I cannot emphasize the phrase "lasting respect" enough.

One of the things that has happened in the last ten years is the destruction of the Canadian decision making base. The private sector does not know where it is at any longer. It is getting retroactive legislation; it gets itself estab-

lished on one course and pattern; it makes capital investment of a sizeable nature today, and then all of a sudden, through nationalism or a sense of other urgency, we in this chamber start changing the rules. There is a general lack of confidence throughout Canada that is a very serious factor facing the way of life and the standard of living we will have tomorrow.

There are certain criteria that are perhaps necessary and that we should consider. I do not think these are too difficult for a magazine to live up to. It should be edited and published in Canada—that we know. All its publication functions, such as typesetting, platemaking, printing, the circulation, advertising, customer service and billing operations, treasury and administration, should be conducted in Canada. The magazine should be published by a Canadian corporation, proprietor, partnership or association incorporated or registered under the laws of Canada or one of its provinces. We are asking for 75 per cent Canadian ownership. Personally, I think that is excessive. I think we should be asking for 51 per cent over a period of three years.

It should have a degree of Canadian ownership as defined in section 257 of the Income Tax Act, and the magazine should publish in Canada in two official languages. I do not know that that would always be possible for the small periodicals which seem to be the source of demand and agitation for the bill that we are discussing now. I agree that the policy should be controlled by a Canadian board of directors and that at least 75 per cent of those directors should be Canadians. It should be wholly directed and edited in Canada by a management and staff resident in Canada. It should be able to grant complete freedom of editing to its editors, the editors being in Canada and subject only to copyright law.

A Canadian magazine should contain a proportion, excluding advertising matter, of editorial content to the extent of 30 per cent. I think that this is a reasonable demand of any foreign owned magazine working in Canada if the Canadian people are to have a perspective of the globe and of other countries, and of what is happening in other spheres of influence. What are we going to do in our rush for nationalism, just become knowledgeable of this land alone when the globe is getting smaller and smaller as our ability in communications speeds up faster and faster? It does not make sense to demand any more than 30 per cent Canadian content in that type of magazine.

We should encourage the development of editorial material about Canada which could have international appeal outside of Canadian borders. I think that *Reader's Digest* has been a magazine that is underrated in the exposure it gives of Canadians and this great land to other peoples of the world.

I think these are a clear set of standards that would enhance the free flow of information essential to citizens in a free state such as Canada. Let me return to the words of the royal commission. This set of standards would ensure the attainment of objectives outlined by the Royal Commission on Periodicals which stated:

> Only a truly Canadian printing press, one with the feel of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a free society.

I think those are criteria for which we can ask without threatening the survival of the *Time* and *Reader's Digest* and the other newspapers and periodicals I have mentioned at the beginning of my address.

In order to help some 58 small independents, this bill risks Canadian payrolls, Canadian plants, Canadian suppliers, and a chance for the world to see Canada and for Canada to see the world through the eyes of other writers. I think that is too much to risk with this bill. We also risk the French edition, *Selection du Reader's Digest*", in Canada which is already costing that organization a subsidy of $157,000 a year.

● (2100)

I would like to see a much more positive approach on this subject. I think we should correct the distribution system. I think it is fundamentally wrong, and I do not know how we got into the position where 13 of the 14 distributors of periodicals in Canada are American owned. If we are to give Canadian magazines and periodicals a chance, I believe that we should provide a tax incentive, and not a disincentive, as we are doing under this bill. If we are to help these 58 small magazines, and if we are to help cultivate talent in students from our universities interested in writing and dedication to a particular point of view, then we should do it with incentives, and not disincentives. I do not think we should threaten that which is serving us well. If we want improvements, we should provide incentives.

In reading one of the reports from the twenty-ninth parliament I was fascinated by the fact that these small, independent magazines with a Canadian perspective could be helped by giving the advertisers in those small magazines 125 per cent deductibility on their advertising dollar. In that way there would be an incentive to encourage advertising in those small magazines. The hardheaded world of advertising and business just will not spend money in small magazines which are struggling for a breath of life because large circulation does not exist. I cannot get it out of my head that if we want to help this Canadian need, and if we want to help these budding Canadian artists, an incentive system like 125 per cent deductibility on the Canadian advertising dollar is the way to do it.

I think we should also return to having postal rates whereby the larger the circulation the higher the bulk rate because, after all, the Post Office is working at a loss, and these bulk rates cannot cover their cost. If the Canadian people are subsidizing the postal service, perhaps the higher the circulation of the periodical or magazine, the higher the bulk rate should be. That would give the small Canadian entrepreneur and the Canadian artist a chance to enjoy a lower cost and a competitive distribution, because economy of scale does apply, and it applies more importantly in this area than in most other aspects of industry.

We have discussed 75 per cent Canadian ownership. I think that is extremely severe and impractical. I think we should be satisfied with 51 per cent Canadian ownership of magazines which want deductibility privileges in

Canada. I think we should ask that this be achieved over a 24 to 36 month period.

We have discussed the need for Canadian editorial content, Canadian management, Canadian production facilities, Canadian payrolls, and the use of Canadian supplies. I think it would be a mistake to demand more than 30 per cent Canadian content. I do not think we have the talent to produce more than that and still maintain the broad popularity and the world perspective most Canadians want, at least the Canadian readers who support such magazines as *Time* and *Reader's Digest*.

I plead for a more positive approach in resolving this national debate and the dilemma which have now been going on for more than 15 years. I think we should try to resolve them with a program of incentives and not of disincentives and destructives moves such as are contained in Bill C-58.

Some hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, one should express gratitude for being able to participate in an important debate such as this, but I personally have mixed feelings about the privilege of standing here to respond to a measure which I consider to be a threat to the orderly cultural evolution of our country.

I listened with great interest to the minister when he spoke in defence of this measure, the elimination of Section 19(2) of the Income Tax Act, and I heard him speak about the cultural integrity of our country. He compared the magazine industry with our transportation industry. He went as far as to compare the magazine industry with the National Hockey League. I wonder whether there will ever be a day when I will have to speak in this House in response to a measure which might recall our Canadian hockey players from the United States, or which might put a tariff on editorial comment which may come to Canada from other parts of the world or leave Canada for some other part of the world. That is about how ridiculous I consider the measure before us.

We want to protect and stimulate interest within the magazine industry in Canada, and the problem is that there is an obvious and deliberate attempt to censor not only magazines coming into Canada from other parts of the world but also to direct the content of the Canadian magazine industry within our country. This is a serious matter which is of concern to most of us. It is a deliberate attempt to direct cultural evolution within our country. I would like to know who is attempting to direct our cultural evolution. It certainly is a departure from the words I heard expressed by one of our learned colleagues, the President of the Treasury Board (Mr. Chrétien), who was here a few moments ago.

A couple of years ago I had the privilege to attend a dinner at the Chateau next door when we had asked a number of young Canadians under the Adventure in Citizenship program to come to the capital city. I was proud to be a member of parliament that night because the then secretary of state for external affairs told these young Canadians that he was not so concerned as some people about the lack of an identity for our country, but that he was concerned with the preservation of something we valued, a multicultural approach and the cultural mosaic

of which we are so proud, and of which the world is so envious.

This cultural mosaic allows us to pick the best from the world and from all the cultures of the citizens who live within our country, and to shape it. I do not see any attempt by the government to go to the newsstands and regulate and direct the cultural evolution when it comes to dirt magazines. They seem to have taken over. I wish the hon. member from Vancouver who spoke before me had expounded on how that industry has been allowed to evolve and take over the front shelves of the newsstands in the last while.

Mr. Huntington: I don't read them.

Mr. Oberle: My hon. colleague does not read them, and neither do I. Nor will I encourage my kids to do so. This is a matter of serious concern to many people in my constituency, and they have written to me about it. It is a matter of serious concern to many people in other parts of the country as well.

How is this cultural maturity, of which the minister speaks, to be achieved? Is it for example to be achieved in a similar way to the way we treat CBC? I think the reason why the minister is concerned about the financial welfare of the magazine industry in Canada is that he considers it to be in trouble. The magazine industry in Canada is in as much trouble as the CBC would be were it not for the taxpayers of Canada who support it. The reason is that neither the CBC nor the magazine industry responds to the contemporary mood and desires of citizens. The electronic and the print media are directed by a group of intellectual socialists, an elite group who believe it necessary to direct and advance the cultural evolution in the way they see fit. That is the reason why the magazine industry is in trouble, and that is the reason why it costs Canadians so much to support this monster called the CBC.

● (2110)

As you know, Madam Speaker, I grew up in another part of the world. I too am starved for the cultural milieu in which I grew up. I used to enjoy classical music, and still do. Nobody denies me the privilege of reading classical books. I too am starved for this cultural milieu that these people tell us is missing. But I travel around this country, Madam Speaker, and I feel the pulse and the desire of Canadians. They are not the same as I feel perhaps, or that the people I represent in this House feel, who live so far away from the great cultural centres of Toronto, Montreal or Vancouver. They live in the smaller centres of the country, but still are not as culturally starved as some people who live in the concrete jungles. That is because they can make contact with things that people in the great cities cannot—with nature. They know what it is to be out and challenge the elements, to be your own man. They have the pioneering spirit still, which is being stifled by this cultural evolution that is taking place. It is necessary to preserve that pioneering spirit if we are to continue to develop this country in the way it has been developed over the last hundred years.

I should like to know who is making the decision that there is going to be censure. The Minister of National

Revenue (Mr. Basford) has said that he will insist that the magazines coming into Canada be 80 per cent different from those published by the parent company in another country.

The minister who brought this bill before us says there will be no censure. Surely he cannot be so naive as to try to make us believe that the difference in the magazines can be that in one an article appears in the front, and in another it appears in the back. Surely he would not defend this bill on those grounds. No indeed, he insists that the contents of the magazine which this act regulates be 80 per cent different from the magazine published in the United States. He cannot tell me that is an attempt to help mature this cultural evolution—that it is not an attempt to erect a cultural barrier along the longest peaceful border in the world, that between the United States and Canada. He cannot tell me there will not be a curtain along that border with the maple leaf on it. Some of the other measures with which we are confronted point that out in no uncertain terms.

We have a problem when attempting to defend some of the action we have taken in the electronic media against our American colleagues. We are pirating signals from the border cities of the United States, stripping them of advertising and selling them to a Canadian audience. What price cultural integrity there, I ask—what about any kind of integrity in the face of a scheme like that? The United States has no laws similar to those we are constructing here. They are not afraid of something that might come down from Canada although perhaps they had better be soon.

It is ridiculous to try to defend ourselves and make any kind of sense in talking to our American counterparts—as we recently had the opportunity of doing in Quebec City—when we come up with such laws and regulations.

Section 19(2) of the act provides the same privileges for *Time* and *Reader's Digest* as for many other publications. Today I learned that a number of newspapers in western Canada are totally owned outside this country. They have always presented the Canadian viewpoint, always displayed the contemporary scene in the little towns they serve where no Canadian had the guts to start such newspapers. They had to come from the United States and Great Britain. All of a sudden we say that these newspapers are in our country and doing something bad to us. That is nonsense, Madam Speaker. Surely we cannot let it go unchallenged.

When the minister says that *Time* and *Reader's Digest* enjoy special privileges in this country he is misinterpreting the facts—the minister is a stranger to the facts. These magazines do not enjoy special privileges in our country; they enjoy the same privileges as any other publication in the country—that of allowing advertisers to deduct that cost as an expense for taxation purposes. I say it is wrong that this privilege should now be taken from them.

If we have to discuss the matter at all we should at least have tried to make a distinction between *Reader's Digest*, that great window of the world, and *Time* magazine. I agree with the minister that it is impossible to do this; they are already in an impossible situation, and to perpetuate it would be wrong.

I think this bill should be withdrawn, Madam Speaker. The minister is embarking on a course that will haunt us. We are talking about advertising dollars which are presently being spent in these great international magazines and which will apparently now flow to the Canadian media.

I have used advertising in the various business I have conducted in my time. I consider an advertiser to be much like a reader. If I spend a dollar on advertising I insist that I get my money's worth. Any smart businessman would. The giant-international corporations and the large corporations within our country that can afford to advertise in these international magazines will continue to do so even if the tax privilege is removed. They will continue to advertise in those two magazines in preference to any other media. *Time* and *Reader's Digest* will likely continue to send their publications to Canada—under considerable hardship no doubt, but I do not think they will be discouraged by a measure such as this from catering to the needs of the Canadian people.

I must confess that *Reader's Digest* is a little more to me than just a Canadian news magazine. I have a very direct, personal, and emotional relationship with the Reader's Digest and I hope you will bear with me if I elaborate just a little. I started reading *Reader's Digest* when it was called *Das Beste*, which in English means *The Best*. That magazine was published in the country in which I grew up.

• (2120)

I was 12 when the second war ended, and even at that tender age I felt that my mother country had nothing to offer me in the future. I looked around the world because I was young and ambitious. My older brother had read *Reader's Digest* when he was a prisoner of war in Great Britain. He advised me to read *Reader's Digest* and bought me my first subscription. I was 19 when I read two particularly good stories about Canada. I then decided what part of the world best suited me and my particular needs. Even at the tender age of 19 people have their own ideas.

It was the two stories about Canada I read in *Das Beste* which influenced my decision to come to Canada. That is why I am emotionally involved with the magazine. I do not want to see people all over the world deprived of the wonderful stories *Reader's Digest* prints about Canada. I want to see people of 26 countries who read that magazine read the wonderful stories about my own country, about Canada. I, for one, commend that magazine's objective and disciplined reporting of the contemporary scene. We should all be proud of the series of magnificent stories about this country which are read throughout the world.

Some hon. Members: Hear, hear!

Mr. Oberle: Madam Speaker, I object strongly to having our window on the world shaded by this stupid proposed regulation. All of us here have received hundreds of letters on this issue, and I have received not one which supports the minister's attempt at regulation.

Mr. Woolliams: Neither have I.

Mr. Oberle: Let me read into the record what a writer in Prince George has written. He says in part:

> The *Reader's Digest*, in my opinion, is one of the finest monthly publications on the newsstand today. Its Canadian content and educational material is accepted and read in our Christian home faithfully and any attempt to remove it from the bookshelf would be an insult to my family's intellectual capacity to freely absorb unbiased opinion of current world affairs.

Mr. Woolliams: Just look at the government members laughing.

Mr. Oberle: Obviously the government finds this funny. I do not think the people we represent in our constituency find this quite as humorous. I do not think the people in the constituencies of hon. members opposite find this funny. After all, I do not need to defend myself in their constituencies. They will have to defend themselves when their actions come back to haunt them in the not too distant future.

I will not bore my colleagues by articulating how we should encourage young people to enter the publishing field. If we want to create a viable cultural strategy in our country, we must ensure that all Canadians, whether they live in Prince George or downtown Toronto, in Lower Post, B.C., McBride or Tuktoyaktuk—

An hon. Member: Or Humboldt, Saskatchewan.

Mr. Oberle: Yes, or even Humboldt, Saskatchewan—we must ensure that all Canadians are included in our cultural community and are served by a medium of culture. As for Humboldt, there is a culturally starved community.

Mr. Lang: If you believe that, you believe anything.

Mr. Oberle: During the last election campaign I visited my friends in Humboldt. They were of my ethnic background, and they had an old-fashioned picnic with all kinds of razzmataz and a brass band for those who turned up in great numbers. It was an expression of old-time culture in Humboldt. We did not perform the music of Mozart of Beethoven, but we did tell them a few facts. I was quite fair about the minister. I said he is a good representative of his party in the House of Commons but I had my doubts about whether he really represented the farm community in Saskatchewan. I am sure, when those people evaluate the minister's contribution to this debate, they will remember the fellow who came from British Columbia. They will remember what he said and wonder if he was not right when he suggested that their member of parliament does not really represent the views of his constituents in the House of Commons.

We must make sure that Canadians, wherever they live, have access to the electronic media. Not all Canadians have such access. The CRTC puts all sorts of stumbling blocks in the way of people who want to establish radio or television stations in out-of-the-way places where people are denied access to the electronic media. When I was first elected in 1972, part of my constituency on highway 16 consisted of 5,000 people who did not have access to television. They could listen to one radio program of questionable quality which originated in a far-off centre. I discussed this problem with the minister. Of course the CBC had decided that establishing television service in my area would not be lucrative, and therefore the people living in McBride and other isolated areas would have to do without television service. The corporation could not afford to install it. The minister told me if it cost 25 cents less to put the eleventh channel into downtown Toronto than to put the first channel into McBride, that channel would go to into Toronto—

The Acting Speaker (Mrs. Morin): Order, please. I wonder if the hon. member has not strayed from the bill. We are discussing, Bill C-58, which is to amend the Income Tax Act.

Mr. Oberle: Madam Speaker, I am talking about broadcasting. Surely the magazine industry broadcasts some form of news. I am talking about the special problems of those who are not served with television programs. Until I represented them, many of the people of my constituency were without such service. We also read *Time* and *Reader's Digest* and, before we had access to radio and television coverage those magazines, for our people, represented the most sensible reporting which could be found in Canada. If it were not for the fact they now have one television signal, they would probably come here with placards protesting against this bill. They would consider it a further infringement on their special rights and privileges.

● (2130)

I am sorry to belabour this point, but I want to elicit the minister's support for a second television signal or cable system that would help the cultural evolution in those parts of Canada of which I speak. The minister said the CRTC must follow the regulations. He said the people in the city of Prince George cannot apply for a cablevision licence because they only have one of the existing TV signals, namely the CBC. In order for them to apply for cablevision, they must first have access to both television signals, the CBC and CTV, for one year. Only after that time can an application for cablevision be heard. Because you do not have access to both signals, you cannot have access to anything else.

If we really wanted to do something cultural in this country, we would ensure that every Canadian has access to all the media in this country, some of which are of excellent and enjoyable quality. We would give incentives to small entrepreneurs to provide those kinds of services. We would remove the stumbling blocks which I consider the CBC, CRTC and other regulatory bodies to be. However, that is not the intention of this bill.

The intention of this bill is to erect cultural barriers and to regulate and censor the media in this country. That should come as no surprise to anyone who has watched the performance of the government and the Prime Minister (Mr. Trudeau) since 1968. If I may refer to my country of origin, the first thing a gentleman there did when he got the power in 1933 was to censor the magazine and newspaper industry as well as the electronic industry. In fact he did not allow access from outside the country. That was the beginning of all evil in central Europe at that time. It should be no surprise to anyone to see this government embarking on that kind of course.

This is a strong, central government which is determined to remove the rights, privileges and law-making

freedom of the provinces. It is attempting to take over private industry and destroy private enterprise. Wherever possible it establishes disincentives for anyone who wants to help himself and structure his own destiny. The government is determined to look after all its people from the cradle to the grave, destroying any incentive that anyone may muster.

This measure will come back to haunt us. Our friends to the south will retaliate. They have to retaliate. We already stepped on their toes with the measures I touched on earlier, the electronic media and the curtain we have put up. They will have to respond. I am afraid the response will not be welcome.

Surely the interests of this country would be better served if the government would respond to the contemporary mood and needs of the majority of our citizens, and provide incentives and encouragement to Canadian talents to compete against foreign publications, instead of erecting artificial barriers against them. The time and need for better understanding of a global problem have never been greater. It is essential to the very survival of the human race that nations and societies respect each other's integrity. In a country such as ours where the greatest asset is the multicultural heritage of our citizens, one wonders what the government intends to achieve by a move that is at least parochial, if not overly nationalistic.

I do not intend to support the government on this measure unless someone can demonstrate to me that, in the process of saving a Canadian publishing industry, it will not destroy something that is considered by many Canadians to be a Canadian institution itself.

Mr. Gordon Ritchie (Dauphin): Madam Speaker, in the beginning I might say that I am quite opposed to the government's position with regard to which magazines are eligible for the tax changes imposed in this bill. I am in reasonable agreement with the proposition that most magazines should be 75 per cent Canadian owned. However, with regard to governing of content, the government has given the civil servants far too much power. It smacks too much of censorship.

My main objection to this bill is adequately expressed by a letter which the "Mennonite Brethren Herald" has written, I presume, to every member of parliament. I quote:

> If some of you have read *Time's* recent account of the U.S. government's debacle in Viet Nam, in terms of sober and ultimately health-giving reportage, I think you will understand what it is about a publication such as this which has made so many of us reach for it rather than for *Maclean's*. Or the Watergate coverage, to give another example.
>
> The government's position—as I understand it—would be that to qualify as a Canadian publication, the magazine would need to be 60-80 per cent different from the parent U.S. publication and 75 per cent Canadian owned. For *Time* this would obviously mean ceasing to be. The government would be totally re-making the magazine so that it could impossibly continue to be the very thing for which we have chosen to receive it. This is a form of muzzling of the press which I believe we should view very seriously. We are already exposed to many extremist voices in this country, and what the government is doing by its legislation is making us more susceptible to them. Rather than giving the privilege of easy access to publications with a large world view, it is opening the door for the narrowest kind of Canadianism or the strongly ideological kind of journalism which is becoming increasingly common in this country.
>
> It is this sort of manipulation of the press which we should view with the utmost seriousness. The free movement of the press ought to be one of our most cherished possessions and jealously defended. Canadians in a very real sense are being deprived of their freedom of choice in a manner which is much more reminiscent of totalitarian regimes than a truly open democracy. Such an action by a Canadian government brings to me a great sense of foreboding.

We have in this country far too many regulatory bodies in matters of culture that are directly related to what the government thinks. We have the CBC who are carrying on a virulent campaign of anti-Americanism and who are carrying on a virulent anti-Western campaign. Perhaps in the fate of *Time* and *Reader's Digest* and the noisy debate that has ensued, most people see in this an attempt by the government to restrict the freedom of the press, to establish some sort of cultural sovereignty with economic nationalism, anti-Americanism and corporate power, and to restrict the right of citizens to read what they please.

● (2140)

But let us take a look at what the government is actually proposing. This measure is technically a tax measure but the objective of the legislation is not to raise federal revenues. Almost certainly it will reduce them. There is not even an attempt to Canadianize *Time* and *Reader's Digest*, which might be a reasonable course, by use of the ownership principle. Obviously the idea is to knock out these U.S.-based publications so that they will no longer be major competitive forces in the Canadian magazine industry. It is obviously the hope that this will clear a path for new domestic publications, more specifically a weekly news magazine.

By the withdrawal of the income tax amendment it is intended to diminish the sale of these periodicals in the hope that the revenue from their former advertising will go to Canadian publications. But it is unlikely that this will happen to nearly the extent the government would like. Indeed it seems likely that with the phasing out of the tax measure both *Time* and *Reader's Digest* will find it profitable to leave the country.

But will this stop *Time* and *Reader's Digest* being read within Canada? I doubt that it will. In 1944, when *Reader's Digest* first came to Canada, sales in the English division were something like one million. It seems interesting that at the present time, taking into account the increase in population, sales in the English edition are not any larger. They have obviously added the French edition, which of course would be lost. Will the removal of these two publications from the Canadian scene meet the government's desire to increase the revenue available to Canadian magazines? It seems to be far from certain, the more you look at it.

The 1970 Davey Report on the mass media said it had to concede—it is impossible to predict the effects of removing the exemptions with much precision—and merely urged the government—to remove the exemptions and see what happens.—Presumably, as far as advertising is concerned, the magazines might decide to remain in Canada and continue as they are, in which event advertisers might decide to spend less on their Canadian publications in order to continue advertising in *Time* and *Reader's Digest* at a higher cost. Or they could decide to settle for less space in the two magazines at the same price they are

paying now, which would not do anything at all for other publications.

Some advertising experts have predicted that if *Time* and *Reader's Digest* do leave Canada it would hurt rather than help the smaller publications, because the disappearance of these two magazines with their large circulations would make it unprofitable to prepare magazine advertisements. So it seems obvious, and it is a very real possibility, that we might lose two magazines and gain very little in return. There is no certainty that dollars which go to *Time* and *Reader's Digest* would go to other magazines.

It is interesting to note that the main contributors to magazine advertising—I did not realize this until I had checked it through—are liquor, automobiles and travel. It is significant these are fields in which international companies are usually involved and, as I understand it, even if they advertise in *Time* and *Reader's Digest* after they have left the country they could, in effect, recover the cost by charging a management fee to the Canadian subsidiary.

To attract advertising dollars, a magazine must first attract readers. Could, for instance, a news weekly magazine such as *Maclean's*, attract dollars if *Time* and *Reader's Digest* leave the country? I do not think anyone seriously believes any magazine could approach the *Reader's Digest* with its vast international appeal. *Reader's Digest* is in a class by itself. Its stories are universal in appeal; they can be set anywhere in the world; you only have to change the name of the place and the story is quite suitable. If a Canadian magazine can attract readers, why don't they do it now? There does not seem to be any reason at the moment why any Canadian magazine along the lines of *Time* could not be as successful now as if *Time* were no longer here.

People obviously read *Time* not so much for its Canadian content but because as a North American publication it gives us a window on the world. As for the Canadian content, I have never found it particularly good, and I can find the material in our own newspapers and elsewhere. We have to recognize that we live on the North American continent and we think of the world from a North American point of view. There is no assurance that if *Time* and *Reader's Digest* depart, an equivalent Canadian news magazine could give us this viewpoint.

Perhaps in this discussion certain things are not quite appreciated. Look at our population. Although we have a population of 22 million it is divided among two languages. In effect, the 6 million Francophones are not part of the English reading culture, so the market for English magazines is reduced to between 12 and 14 million people.

Again, we are very regional in our population and our reading habits; the English language magazines must necessarily be based in Toronto. I might say that if there is any group of literary Canadians more disliked in Canada by other Canadians it is those who live just outside of Toronto. The regional prairies and the West Coast are not interested in the day-to-day happenings of the Toronto literary world. If they must look outside they tend to look outside to Minneapolis and St. Paul, to Los Angeles and San Francisco. It is all part of living on the North American continent.

[Mr. Ritchie.]

Canadian publications which cannot hold their readers are not alone in their fate. In the United States, *Life*, *Look*, *Saturday Evening Post* and a host of publications in that country, with its vast market of 200 million people, have also gone under. It seems to me that with the publication of a Canadian weekly news magazine the problems are particularly complex. If such a magazine is to be called Canadian, then surely the six pages of Canadian content in *Time* will not keep it from attracting readers and advertising. On the other hand, if it is to be international in its scope, like *Time*, its competition for readers will be equally intense, whether *Time* has a Canadian edition or not.

It does not seem possible to me that a Canadian publication can expect the worldwide coverage *Time* or even *Newsweek* can provide for its market. The Canadian market simply isn't large enough to sustain an effort of that scale. It seems obvious that the outlook of a Canadian news magazine on the international scene will closely parallel an American viewpoint on the international scene. In other words, since we live on the same continent our viewpoints will be quite similar to those in the United States.

● (2150)

If *Time* is driven out of this country it seems likely that the United States edition will be available in Canada, and Canadian news magazines will have to compete with others in expressing their viewpoints on international affairs. The Canadian news magazine will be essentially similar. It seems to me that the argument really comes down to whether it is better to have a single Canadian news magazine owned by a concentrated group engaged in competition with *Time*, *Newsweek* and other trans-border magazines lacking Canadian content. While *Time* may not be what Canadians would like to have, it is so powerful that the present situation is better than what the new situation would be.

What about the rule that publications do not qualify if the contents are substantially the same as those published abroad? I understand that this regulation has been on the books since 1964 but has been largely overlooked because it did not apply to any major publication. No real guidelines as to the percentage of figures that a Canadian publication must have have ever been laid down. However, the Federal Court case in 1972 of Jay-Kay Publications had this to say:

> The evidence discloses that the Canadian publication has been mainly a repeat in a proportion of 60 per cent of the material published in the American publication, and for this reason alone it would not qualify.

That is to say, it would not qualify as Canadian under our tax laws. This type of percentage could be used to qualify a Canadian publication in the following situation. A Canadian publication might have ten pages of American content of high literary value and 20 pages of Canadian garbage and it would qualify, presumably by being under the umbrella.

I should also like to point out that there are one or two magazines that will be caught in the net that I think should be allowed to stay. I refer to the medical magazine *Modern Medicine of Canada*. I believe there are other artistic and scientific magazines in the same category. Since

medical knowledge is world wide and really knows no international boundaries, it seems senseless to drive out what magazines we have at present.

In a brief presented by the publishers of *Modern Medicine* to members of parliament, they put forward a very good case to the effect that *Modern Medicine of Canada* is a genuine international, scientific and medical magazine, and that Canadian publishing policy should not discriminate against it and other publications. *Modern Medicine* is similar to other medical publications spanning five languages and 40 different countries in the international family of medical publications. The Canadian edition has access to material published in other editions. In effect, it is merely a collection of synopses taken from medical and scientific articles appearing in magazines throughout the world, of which there are a vast number.

Canadian scientists in general and medical scientists in particular find it very difficult to publish their articles, particularly on research, in any journal. The National Research Council spends $35 million a year on medical research projects. Large sums of money are also being spent by universities and provincial governments on medical research over and above this $35 million. One of the complaints of Canadian scientists and researchers is that the vast majority of this research, which is often quite good, never sees the light of day but accumulates, ages and withers in the files.

The throwing out of the two magazines *M.D. Canada* and *Modern Medicine,* particularly the latter, will in no way contribute to the publication of scientific articles by a Canadian scientist. Medical knowledge is a truly international field, and it seems that little will be gained by removing *Modern Medicine* from Canada. It will probably be replaced by the American edition and will feature mainly American authors. Canadian authors will not have any chance of publishing the results of their research. The problem of publishing scientific research results is so acute that I believe the Science Council of Canada has considered it, and is looking for ways in which scientists can have their research published.

This bill brings out the eternal problem of the goverment's right to intervene in the content of the printed word. It is substantially different from the situation in the broadcasting and television fields. My position is that the government should not withdraw the tax provisions relating to *Time* and *Reader's Digest* provided they meet the Canadian ownership rule of 75 per cent. To drive these two magazines out of Canada would not likely improve the position of the Canadian publishing world. The monopoly of the Maclean-Hunter chain would give *Maclean's* domination over the influential publishing and opinion moulding media of our times. I do not think this power should be given to *Maclean's* magazine or any other single magazine in existence. Therefore, Madam Speaker, I intend to vote against this bill on second reading.

Mr. Bob Brisco (Kootenay West): Madam Speaker, I should like to discuss Bill C-58 now before the House, but quite frankly I feel obliged to call it ten o'clock.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—PROPOSED ESTABLISHMENT OF SUB-COMMITTEE TO INVESTIGATE CIDA

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, on two occasions in the Standing Committee on External Affairs and National Defence I have presented motions asking that a special sub-committee be established to examine the Canadian International Development Agency's financial controls, accounting procedures, and other matters related to the fiscal management and control within this government agency. My motions were defeated. I have since asked the minister of external affairs to consider establishing a special sub-committee to examine CIDA procedures as I am making no headway with these motions. I am now requesting the government to have the office of the Auditor General examine all CIDA operations.

In March, 1975, a report of the independent review committee on the office of the Auditor General submitted a 162 page report dealing with the Auditor General's functions. In this report a number of recommendations were made dealing with Crown corporations, and these recommendations could also be applied to government agencies like CIDA. One of the recommendations is that the Auditor General should have the right of access to the financial records and documents of all Crown corporations of which he is not the auditor, as he deems necessary to the fulfilment of his responsibilities as auditor of the accounts of Canada.

Another recommendation is that each commercially oriented government corporation should have an audit committee. The report also had 47 other recommendations. Many of them cover reasons why there should be a complete audit of CIDA's financial operations and a complete examination of all its documents, particularly in regard to the Cuban loans and the reasons why minutes of CIDA meetings are not finalized and reviewed by the CIDA management committee. The President of CIDA stated that minutes taken at management committee meetings have no official meaning. This statement is also unbelievable in regard to conducting government business.

● (2200)

At the External Affairs Committee meeting of Thursday, April 10, 1975 the Secretary of State for External Affairs (Mr. MacEachen) stated that usual standards of government efficiency simply cannot be applied to CIDA operations. This is all the more reason why the Auditor General should be instructed to undertake a complete examination of the whole operation.

In a memorandum to the Secretary of State for External Affairs from the President of CIDA, dated December 3, 1974, the president stated:

It is currently estimated that sugar production by far the main source of exportation and hard currency earnings could be around 5.75 millions metric tons in 1973-74 which would make a 7 to 12 per cent

improvement in performance over the last year crop. Although details of protocols between Cuba and its communists partners are not available it is expected that the communist countries will receive increased sugar supply commitments from Cuba. Approximately 3.45 million metric tons for which they pay less than on the free market.

We should be finding out what financial aid or other aid Russia is providing communist countries like Cuba before we supply aid. This area should be completely examined by the Auditor General.

Also in a memorandum dated December 13, 1974, from the President of CIDA to the Secretary of State for External Affairs, dealing with loan terms for Cuba he stated:

I would suggest that the press release announcing this project not mention specific loan terms and CIDA assistance to Cuba be linked to the totality of economic and trade relations between Canada and Cuba.

Why should not specific loan terms be mentioned? We are dealing with Canadian taxpayer's money. Also, there were difficulties within the Liberal government in that sugar-rich Cuba could, according to several experts, including the Minister of Finance (Mr. Turner), afford to meet stiffer terms. It also has been stated that CIDA was rushing to spend $117 million within the next few weeks in an effort to impress Treasury Board officials. CIDA apparently feels it must spend the leftover $117 million in order to strengthen its bargaining position when the Treasury Board considers the agency's 1975-76 cash allocation.

Among other loans the Auditor General could examine would be the national survey in Morocco which has cost CIDA $4,385,000 to date. The contract terms expired about one year ago, but the job is only half finished and its future is uncertain.

As a CIDA critic I do not argue that the use of even more money to send wheat to drought stricken areas, to vaccinate cattle, to develop agriculture and commercial fishing, to build badly needed bridges, power dams and irrigation systems, is wrong, but many of CIDA's country-to-country projects have been arousing interest. As an example, CIDA sent a machine which weighs grain and automatically fills and sews up bags to Calcutta, India, about a year ago at a cost of $300,000. Fortunately it has not been installed for use, since labour saving devices have sometimes provoked riots in Calcutta, a city with massive unemployment, but CIDA recently had tenders out for a second and more advanced machine of the same kind estimated to cost $500,000. These reasons are more than enough for a complete examination of CIDA by the Auditor General's department.

Another example was in respect of Senegal where labour is similarly cheap and plentiful. The polytechnical school at Thies is equipped with automatic dishwashers, according to CIDA employees. In addition a ham slicer was provided, a curiosity in this Moslem land where diatery rules forbid the eating of the flesh of swine. Schools have been built in several hot countries along Canadian lines, with few windows but plenty of electric lights. As one CIDA official said: "You know what happens— the hydro in these countries is a terrible price, so what happens is that the local government can't afford to use the building and it's wasted". Such occurrences are common enough in CIDA initiatives that they have now come to be taken pretty much for granted.

Also, Madam Speaker—

[Mr. McKenzie.]

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. member but the time allotted to him has expired.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the question of having the committee deal with CIDA over and above the study of estimates is one that the committee has dealt with on a few occasions. As regards another reference to the Standing Committee on External Affairs and National Defence, the minister and I have indicated to the committee on a few occasions that we were interested in having a reference to the committee, not only to deal with CIDA but to deal with the whole question of Canada's economic and social relations with the developing countries. I think that this would be a good time for the committee to make a real and positive input to Canada's policy with regard to the developing countries.

I am at a loss to understand why the hon. member is concerned about access by the Auditor General to CIDA's books or management processes. I heard him mention at the beginning of his comments the question of Crown corporations. Let me point out to him that CIDA is not a Crown corporation, it is a department of the government, and the Auditor General has complete access to its books, to its structure, to its management processes, as much as to those of any department of the government. So I do not see the necessity of asking for special access by the Auditor General to CIDA.

Both the former and the present Auditor Generals are very competent people and they have had a very competent staff working for them. They know what work they should be doing. They check every department, and if they find something that is not in accordance with the rules and procedure, or with the votes appropriated by parliament, they make their reports which the House of Commons can study, and then suggest remedies and changes at any time hon. members want.

SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA— REASON FOR PAYMENT TO SOCIETY TO COMPENSATE FOR USE OF NAME

Mr. Bob Brisco (Kootenay West): Madam Speaker, I rise to speak on the subject of the Society for the Study of the Heritage of Canada and, more particularly, to address my remarks to the garbage that has been submitted by the Secretary of State (Mr. Faulkner).

If I had asked a ten year old child to prepare something for tabling in the House, I am convinced that that child would have done a better job than this shallow, superficial, obviously neglectful attempt at providing answers to the scandal that exists right here with reference to that society. I am disgusted at not seeing the minister himself present to hear what I have to say. I find it very difficult to contain myself with reference to this matter when the government has poured over half a million dollars into a project that has gone down the tube. It has shown, by virtue of the comments contained in the report that was tabled in the House, that it has neither knowledge of nor concern about creditors. Not satisfied with legislating against *Reader's Digest*, it has helped them a little farther down the road by going after the Foreign Study League of

Paris. I am sure that the Secretary of State is not even aware of the fact that a subsidiary of *Reader's Digest* is a creditor to the tune of $160,000 to the Society for the Study of the Heritage of Canada. I am very concerned about this attitude of the minister.

The Foreign Study League is only one of several creditors lending in excess of half a million dollars. It is interesting that the government has poured in excess of half a million dollars into the Society for the Study of the Heritage of Canada, and it is interesting that this society is now in the glue and owes people, including students, in excess of half a million dollars.

● (2210)

I think it is indeed significant that the minister has not indicated in his report that he has even seen the bankruptcy statement of this society, let alone that he is aware of the companies behind which this society is very well sheltered, and I refer to the same society with the additional name of Toronto. I refer to Palace Investments, M. and M. Travel, the LaSalle Hotel, and so on. There has been no concern about the students who have been ripped off. I wonder if he really cares about Marline and Charline Johnson, Helen Hollicks and Sue Messenger, four little girls from Creston whose earnings of $410 each have gone down the tube.

The minister said he has only received communications from two creditors. Obviously he has not bothered to lift the paper and look at it. He has not seen that the University of Ottawa was ripped off to the extent of $52,000. I told the Secretary of State that the reason the people of Canada were ripped off was that they thought this was an agency of the government, and I suggested that he look at their stationery, their logo, and read what they said. What has the Secretary of State provided in his report? He provided photocopies of two pieces of stationery which do not even apply.

If the Secretary of State had bothered to consult the trustees, he would have seen the slick material which was produced, which has the Canadian flag as its logo, the very words of which indicate that it is a society and a government agency. In his statements he has not demonstrated any concern about the money which came to this society through the Department of Indian Affairs and Northern Development. In fact he said that they recommended that the wilderness project not be funded, but the Indian Affairs Department funded it.

The minister had indicated no concern over the applications for charitable contributions to this society. The Minister of National Revenue (Mr. Basford) has given this society a certificate which says that it is an organization to which charitable donations are tax deductible. How much of the Canadian taxpayers' dollar has gone to this organization, and where is that money? The Secretary of State has avoided those questions. He has avoided involving the Department of Indian Affairs and Northern Development, the Department of National Revenue, the Minister of Justice (Mr. Lang), and the Minister of National Revenue. I say that the Secretary of State is doing Canadians a disservice.

Adjournment Debate

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, early in 1971 during preliminary planning for the establishment of Heritage Canada, officers of this department checked with the Department of Consumer and Corporate Affairs to see whether the name Heritage Canada was free for use in this connection or whether it had already been registered by some other corporation or person. We were told that the name was free for our use and that it would be protected until we were ready to establish Heritage Canada formally.

It was subsequently discovered that the Society for the Study of the Heritage of Canada had previously adopted a short form title, Heritage of Canada, for everyday use, including telephone book listings. The Department of Consumer and Corporate Affairs then advised us that in the new circumstances the title Heritage Canada would not, after all, be available for our use, and that the only way we could obtain the use of that title would be by negotiating with the Society for the Study of the Heritage of Canada to obtain its consent to cease using its shortened title, Heritage of Canada. We were also advised that we should be prepared, if necessary, to pay compensation to the society for any reasonable expenses it would have to incur in making this change. I use the example of printing new letterheads, new brochures, new promotional material, etc.

After careful consideration at the highest level within the department it was agreed that Heritage Canada was, for a number of reasons, the absolutely right title for the organization we were proposing to launch, and that we should therefore enter into negotiations with the society to persuade it to cease to use its shortened title within an acceptable period, and to offer to reimburse it for all reasonable expenses that would have to be incurred by the society in making this change, such expenses to be authenticated by receipted vouchers or in some other way satisfactory to the department.

Treasury Board approval was obtained in September, 1972, to open negotiations with the society. This was done immediately, and a legal agreement with the society in a form satisfactory to the department was signed by officers of the society in October, 1972. The amount paid to the society under the terms of the agreement, after production by the society of the necessary supporting documents, was $79,262. Payment was actually made early in 1973 by Heritage Canada from earlier federal operation and maintenance grants provided at the establishment of Heritage Canada. This is the extent of the department's relationship with this organization.

The hon. member, who is disgusted with a $500,000 expenditure, would be well advised to observe how it was actually spent. I should also like to remind the hon. member that the money to which he refers was financially efficient in a program which brought the greatest pleasure, adventure and excitement to the lives of hundreds of senior citizens that they had ever known.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member's time has expired.

Adjournment Debate

REGIONAL ECONOMIC EXPANSION—REQUEST FOR STATEMENT ON NEGOTIATIONS WITH BRITISH COLUMBIA FOR PROJECTS

Mr. Howard Johnston (Okanagan-Kootenay): Madam Speaker, I rise to develop a question that I asked today and one that comes to my mind each time the report of regional development incentives is produced by the Department of Regional Economic Expansion. One can go through this report very carefully and find not a single acceptance of a project within the province of British Columbia. This is true of the last two reports, and was almost equally true of the previous two although there might have been one small project accepted in them.

If it were a case that no area in British Columbia was designated to qualify for these grants, that would be the end of the matter. But there is an area in the province which lies within my constituency and that of Kootenay West that has been accepted by the program, but there is a dismaying lack of acceptance of projects.

When I was in the city of Cranbrook last winter I heard that it was extremely difficult to have a project from British Columbia accepted. I looked into a couple of cases. In one case the reason given was:

> In the face of a reducing production in the industry, one must recognize the fact that jobs cannot be created in this circumstance. New jobs would simply displace existing jobs in the total industry and the basic intent of the Regional Development Incentives Act would not be served.

That is one approach to one kind of project. One can argue that perhaps the department could have taken a fresh look at the research in the area. When one looks at the second case, however, one finds a different situation. This applicant was told:

> In the circumstances, we have had to conclude that you do not need our support to make this project feasible and financially attractive. We therefore cannot justify the use of public funds for this purpose in accordance with Section 7(1)(a) which stipulates that we cannot provide an incentive if it is probable that the facility in question would be established without such assistance.

That project was in the sawmilling industry, an industry that has been extremely hard hit in British Columbia over the past year by closures and layoffs. The slump is continuing. I should think that any sawmill in the province that had the courage to expand at this time would deserve every aid, co-operation, and assistance from the federal government.

● (2220)

I was particularly concerned when I received another news release from the same department, dated April 24. It says in part:

> The Honourable Don Jamieson, Minister of Regional Economic Expansion, today announced that The E.B. Eddy Company of Hull, Quebec, has accepted a regional development incentive offer from his department for the expansion of its facility at Davidson, Quebec, which manufactures spruce lumber and chips. The project is expected to create 73 jobs.
>
> The incentive offer, of approximately $510,000, is based on a rate of 15 per cent of the approved capital costs . . .

Are we to assume from this announcement that the E.B. Eddy Company was in such poor financial condition that it would collapse unless it received the grant? Contrast this attitude with the one shown to a small outfit in British Columbia which applied for an incentives grant. That grant would have created one third as many jobs in British Columbia as were created by the E.B. Eddy expansion; but the company in British Columbia was told that it did not need the grant because it was getting enough money already.

If one totals the grants made in the last two or three months, it is interesting to note that they have been awarded as follows: there were none at all for British Columbia, two for projects in Alberta, eight to Saskatchewan, one for Newfoundland, 16 for Manitoba, eight to Ontario, six to New Brunswick, four to P.E.I., seven to Nova Scotia, and 51 to Quebec. It is these figures which forced me to raise my question this afternoon, a question to which I did not receive a reasonable answer.

Are we to take it that these applications for projects are judged on a different basis, depending on their place of origin? Are the criteria different? If the criteria are the same we could solve some of the unemployment problem in British Columbia by asking for a team of advisers to be sent to our province from Quebec, to advise applicants from my province, from my constituency, just where they are going wrong in making their applications. Certainly, the rate of success of applications in the province of Quebec compares very favourably with the rate in other provinces. The success rates in the two provinces, British Columbia and Quebec, are so far apart that I am led to ask if there is not something basically wrong with the Department of Regional Economic Expansion incentives program.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, it is impossible to compare responses to applications from one province with responses to applications from another, as each application is studied on its merits.

On the specific question of the status of the current discussions between DREE and the province of British Columbia, the Minister of Regional Economic Expansion (Mr. Jamieson) said this afternoon that he would seek an up-to-date report on the progress which has been taking place between the officials. When this information has been received, the minister will be in contact with the hon. member.

As hon. members are aware, DREE has undertaken negotiations with the various provinces under general development agreements signed last year. In the case of British Columbia where the southeastern region was designated eligible for DREE incentives, this designation was extended. The latest extension was announced on April 1 and is effective to the end of this year. This action was designed to allow additional projects to be considered for support in this particular area while discussions continue with the government of British Columbia on possible new economic development measures that might be undertaken before this designation expires.

I should like to correct an implication left by the hon. member's questions this afternoon, to the effect that there appeared to be no further DREE offers to companies in the Kootenays regions. Since the designation was extended, companies in the region have continued to apply to DREE for incentive assistance, and since January of this year

[The Acting Speaker (Mrs. Morin).]

four offers were announced, including one in the hon. member's constituency. These offers were contained in press releases from the department and will, as a matter of course, be recorded for tabling in the monthly incentive reports to parliament.

The Acting Speaker (Mrs. Morin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 o'clock p.m.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, May 27, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HEALTH

SUGGESTED GOVERNMENT ACTION TO PROTECT CONSUMERS FROM DISEASED MEAT—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. In view of evidence that has recently come to light that thousands of pounds of tainted meat from Quebec have been sold in Ontario over the past three years, I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That this House call upon the Minister of National Health and Welfare to institute an immediate and efficient inspection and information program throughout Canada to protect Canadians from diseased meat.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MANPOWER

PROPOSED INVESTIGATION OF LACK OF PRECAUTIONS TAKEN BEFORE LISTING A PROSPECTIVE STUDENT EMPLOYER—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to present a motion under the terms of Standing Order 43, having to do with the lack of checks or precautions taken by student manpower offices before listing a prospective student employer. This can result in students working for fraudulent businesses, getting paid no wages, and missing their opportunity for legitimate summer employment, as was the case recently in Winnipeg. I move, therefore, seconded by the hon. member for Portage (Mr. Masniuk):

That the House direct the Minister of Manpower and Immigration to investigate the circumstances that allowed Mr. Paul Evans of Florida to register a non-existent company as a prospective employer and to be sent 12 innocent students by Manpower to inadvertently assist him in perpetrating a fraud.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

SOCIAL SECURITY

PROPOSED GUARANTEED ANNUAL INCOME—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to bring forward an extremely urgent motion requiring immediate attention.

Mr. Robert A. McNair, chairman of the Canadian Association of Food Product Manufacturers, has stated that Canadian workers are now receiving better wages than those in the USA for the same type of work, even if our productivity is lower, and that if such a trend persists, the prices of our products will rapidly be higher than those of our competitors. Considering that wage increases are automatically reflected in the prices of products and that such an escalation settles nothing, considering also that it is important to increase the purchasing power of individuals so that they may buy part of our abundant production, I move, seconded by the hon. member for Kamouraska (Mr. Dionne):

That this House study as early as possible means to establish a universal system of guaranteed annual income that would be paid each and everyone so as to increase individual purchasing power without increasing the prices of products. Such action would put an end to the devastating effects of inflation.

Mr. Speaker: Under Standing Order 43, such a motion requires unanimous consent of the House. Is such consent granted?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent, so the motion cannot be put.

● (1410)

ORAL QUESTION PERIOD

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of

National Health and Welfare who was here, but has disappeared. Perhaps I could ask it when he comes back.

* * *

FINANCE

AVAILABILITY OF REPORTS ON TAX CONCESSIONS TO MANUFACTURING AND PROCESSING INDUSTRIES AS WELL AS WAGE INCREASES AND PRODUCTIVITY PRIOR TO BUDGET

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, may I direct my question to the Minister of Finance? It concerns the budget and the availability of certain documents before the budget date, documents which would allow members of this House to evaluate that budget. On May 14 my colleague, the hon. member for Yorkton-Melville, asked the Minister of Finance to account for the four and a half month delay in the tabling of the final report on tax concessions to manufacturing and processing industries and to give the House some idea when the report will finally be tabled. The Minister replied in part, as recorded on page 5,779 of *Hansard*:

> The report is now in its final stages and I am advised the committee expects the report to be ready for tabling within a month.

As the minister recently postponed another important statement to this House, can he tell us when the report will be tabled and assure members that it will be available before the date of the budget?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I must obtain up-to-date information on the status of the report before I can give any undertaking.

Mr. Saltsman: A supplementary question, Mr. Speaker. Could the minister table the document or report to which he referred and about which I questioned him yesterday, the report or studies showing those industries in which excessive wage increases are threatening Canada's competitive position? In the alternative, by what other means does he propose providing that information to the House. Further, is he prepared to assure the House that this information will be available prior to the budget?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as I said to the hon. gentleman yesterday, I will review whatever commitment I may or may not have made and be in touch with him and the House.

Mr. Saltsman: A final supplementary question, Mr. Speaker. Are we to take it from the minister's statement that not one of the studies and documents which are the basis of the budget proposals is available; because, certainly, our ability to consider intelligently what is in the budget will depend on what is in those reports? Is the minister suggesting they will not be available to us before budget time?

Mr. Baldwin: The minister does not know what is in the budget yet.

Mr. Turner (Ottawa-Carleton): No, Mr. Speaker, I am not suggesting that.

[Mr. Stanfield.]

[*Translation*]

HEALTH

GOVERNMENT ACTION TO PREVENT SALE OF MEAT UNFIT FOR HUMAN CONSUMPTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of National Health and Welfare.

The minister has stated that he was aware of the situation with respect to meat unfit for human consumption in Quebec as early as October 1973. I would like to ask him why he did not act under the Food and Drugs Act as the minister responsible for the health of the Canadian people and thus prevent the sale of contaminated meat in Quebec?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I will merely repeat the answers given in that connection last week. In October 1973, an inspector of my Department undertook an investigation only from hearsay because there was no actual fact enabling to go any further. However, as soon as there were enough indications to notify the police force concerned, this was done.

[*English*]

ACTION OF MINISTER TO COMMUNICATE WITH QUEBEC MINISTRY CONCERNING SALE OF MEAT UNFIT FOR HUMAN CONSUMPTION

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. Last week, in the House, the minister said there has not been any correspondence on this subject with any minister in Quebec. When the minister first learned about putrid meat in Quebec what, if anything, did he communicate to the Quebec minister of agriculture or the officials of his department about this shocking situation; and, why did he not issue some statement to notify Quebeckers that after they have gone shopping they might be eating tainted meat?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as I said, the officials of my department have undertaken an inquiry. An extremely complex and difficult police investigation was in progress; it was important that this investigation should follow its course. Police authorities were responsible for this. There was no evidence enabling us to make specific allegations at any time, before the police investigation was concluded. And there has been, in fact, no oral or written communication between myself and Quebec ministers in this regard. However, the Quebec police force and the Royal Canadian Mounted Police were involved in this investigation and, as a matter of fact, they have carried it out completely following the request made by one of the officials of my department.

[*English*]

Mr. Stanfield: Did the minister seek any assurance from the province of Quebec that it would immediately institute proper inspection proceedings where there is not federal inspection? In view of what is now public knowl-

edge, as a result of the crime investigation in Quebec, that large volumes of tainted meet have been sold, how can the minister by any stretch of the imagination feel that he has discharged his duties as Minister of National Health and Welfare?

[*Translation*]

Mr. Lalonde: Mr. Speaker, in this respect, I have no hesitation in answering yes to the hon. Leader of the Opposition.

[*English*]

POSSIBILITY OF OBTAINING MEAT SAMPLES FROM ESTABLISHMENTS UNDER PROVINCIAL JURISDICTION—GOVERNMENT POSITION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of National Health and Welfare. In view of the revelation by the minister that he first became acquainted with this situation in October 1973 as a result of rumours, may I ask whether at that time samples were taken from packing houses and abattoirs in the province of Quebec that were then operating outside the jurisdiction of the Minister of Agriculture and, if not, why not?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am afraid the hon. member is once again distorting my previous statements in the House. I consistently said that in the fall of 1973 an inspector of my department started an investigation of the matter and later referred it to the police, but I never said that in October 1973, I personally was aware of the situation.

[*English*]

REASON FOR FAILURE TO PROSECUTE QUEBEC MERCHANTS SELLING MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. James A. McGrath (St. John's East): The minister stated he was informed of this situation in October 1973. He told the committee this morning he did not contact the RCM Police until February, 1974. My first question is, why the delay? Second, why did the minister himself not proceed under the jurisdiction of the Food and Drugs Act and lay charges through the Attorney General for Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Once again, Mr. Speaker, those are exactly the same questions as last week and which I answered several times. I repeat that I was not the one who asked for the intervention of the police. The reference was made in the normal and daily course of my department's operations by an inspector of my department in Montreal who started an investigation and asked for the intervention of the Mounted Police only in February because the investigation started in October had difficulty in getting under way, which shows how complex the matter is. Things are much less simple than the hon. member seems to think. There is nothing magical, nothing sinister either in all this in the sense that officials of my department co-operated normally with police authorities to bring the investigation to a successful end, which fortunately seems to be the present result.

[*English*]

REQUEST FOR STATEMENT BY MINISTER ON SALE OF MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. James A. McGrath (St. John's East): In view of the substantial public unrest being created by virtue of the revelations being made in Quebec and the evidence that this tainted, contaminated, putrid, diseased meat has been sold outside the province of Quebec, in the interest of putting the minds of the public at rest, will the minister now follow the course he followed last fall when he was confronted with the situation of contaminated hamburger and make a statement in the House?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have already replied very clearly to that question. A Royal Commission has been set up, the investigation must follow its course normally, and I do not think it would be proper at this time to make statements right and left, as apparently suggested by the hon. member, either to facilitate the investigation or reassure Canadian consumers.

[*English*]

AVAILABILITY OF REPORTS ON SAMPLES OF MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, the Minister of National Health and Welfare indicated that in February 1974 the RCMP were asked to investigate some evidence of tainted meat being sold. Can the minister tell us whether any samples were taken from the packing houses in Quebec at that time for examination to determine whether, indeed, this was meat from animals improperly slaughtered and, if so, are there reports available?

● (1420)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member's question is based again on erroneous information. As of February 1974, there was no evidence, only rumours, that such meat was being sold in Quebec. That is why police forces were called upon to carry out a full investigation, using all the means police forces have at their disposal and which my own department does not have.

[*English*]

REASON FOR FAILURE TO PROSECUTE QUEBEC MERCHANTS SELLING MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. Paul Yewchuk (Athabasca): A final supplementary. There now certainly appears to be evidence of tainted meat being sold on a massive scale. I do not think anyone questions this. I want to know why the minister is not laying charges and why he feels that, because an investigation is going on, charges cannot be laid.

Mr. Speaker: Order. I think all hon. members will agree that I have allowed on several occasions a repetition of questions which have been answered by the minister. I was reluctant to interfere because of the importance of the subject matter, but it seems to me that the minister has answered this question several times and that I ought now to insist that if there are no fresh questions on this topic we should pass on to another subject.

An hon. Member: The questions are fresher than the meat, anyway!

Mr. Yewchuk: I should like to rephrase my question, then. The minister has stated that no charges were laid because a study by a royal commission is in progress. I am not clear as to why he thinks this prevents him from laying charges.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not think there is much I could add to what I said last week on that matter. If the hon. member cannot understand why it would be improper at this time to institute proceedings, now that a Royal Commission has been set up, I do not think there is anything I can say to convince him or help him understand.

* * *

[*English*]

THE CANADIAN ECONOMY

POSSIBILITY WAGE INCREASE LIMITS APPLICABLE ONLY TO PRIVATE SECTOR—SUGGESTION PUBLIC SERVICE WAGE INCREASES SHOULD EQUAL THOSE IN PRIVATE SECTOR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Acting Prime Minister. As the Minister of Finance is trying to obtain widespread acceptance of his consensus program he no doubt intends that it should apply to all sectors of the economy. In view of the fact that in a written reply to a question asked on May 9 concerning the federal public service and the proposed general wage increase limit of 12 per cent, the President of the Treasury Board stated, as I quote, "The government, as employer, is not subscribing to arbitrary wage increase ceilings in its negotiation of collective agreements", will the Acting Prime Minister tell us whether that statement by the President of the Treasury Board reflects government policy and, if so, whether it is intended that wage increase limits under a consensus program are to apply only to the private sector and not to the federal government?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker.

Mr. Stevens: Considering that in the same reply the President of the Treasury Board stated that public service wage rates must conform to comparable rates of remuneration in the private sector, and that if they increase by 18 per cent he would endeavour to negotiate an 18 per cent increase, will the Acting Prime Minister inform us whether such a statement means that the government does not intend to set an example in wage increase restraint but will only follow the private sector?

[Mr. Yewchuk.]

Mr. Sharp: I could answer with a simple "No" to that question but perhaps I should add that the purpose of seeking a consensus is to achieve some measure of general restraint. If this applied, it would of course apply to the public sector. If not, I would have to support my colleague the President of the Treasury Board because I do not believe it would be fair to the public service to treat them as being different from the public at large.

Mr. Stevens: A supplementary to the Minister of Finance. The minister has expressed concern about the deterioration in Canada's competitive position resulting from a higher rate of increase in labour costs per unit of output in Canada than in the United States. Considering that the President of the Treasury Board states that in setting Canadian public service wage increases it is the higher Canadian wage scales which are relevant, not the more restrained U.S. levels, would the hon. gentleman tell us whether he, too, is concerned about our competitive international position only in the private sector, not the public sector?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, within the context in which the President of the Treasury Board was speaking, that more than bears the truth and I have nothing to add to it.

* * *

[*Translation*]

FINANCE

SUGGESTED MEASURE TO PERMIT EMPLOYEES TO PARTICIPATE IN PROFITS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask the Minister of Finance a question.

Could the minister tell the House if he is aware of a statement made by Quebec Premier Robert Bourassa that his government is prepared to commit itself to introduce legislation allowing employees to share corporate profits and, if so, could he advise the House whether he intends to table federal legislation aimed at encouraging employers to allow their employees to share the corporation's profits through, for example, tax exemptions for corporations which implement a profit sharing program?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I should first consider the statement of the Quebec premier, but I suppose the question should rather be directed to my colleague the Minister of Labour.

* * *

[*English*]

ENERGY

OIL—PRESENT OR PROPOSED INCREASED PRICE FACTOR IN SETTING DOMESTIC PRICE

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Acting Prime Minister. In the ongoing discussions over the establishment of a domestic price for crude oil for Canada, is the federal government taking as one of its parameters the current price of oil in

the world market, or is it also including the 15 per cent increase in the price of oil that is now being talked about?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I was listening carefully to the hon. gentleman but I missed his first few words. I wonder if he would mind repeating the question.

Mr. Gillies: Mr. Speaker, in the discussion that is going on now for setting a domestic price for crude oil, to the extent that the international price is being considered in this discussion is the current international price a factor in which the government is interested, or is it including the anticipated 15 per cent increase that the OPEC countries have been talking about?

Mr. Sharp: Mr. Speaker, perhaps it is certain in the hon. gentleman's mind that international oil prices are going up, but we have some doubts about that.

Mr. Gillies: Mr. Speaker, may I put a supplementary question to the Acting Prime Minister. Given the fact that the Minister of Finance presumably needs a set domestic price for oil before bringing down his budget, am I to understand from the answer of the Acting Prime Minister that even if the world price of oil should be adjusted upwards in September by 15 per cent there would be no change in the domestic price of Canadian crude oil?

Mr. Sharp: Well, Mr. Speaker, that is a very hypothetical question. I think the hon. gentleman will just have to wait and see what is in the budget. When we have made our decisions, we will announce them.

OIL—RELATIONSHIP OF INTERNATIONAL FLOOR PRICE AND DEVELOPMENT OF SYNCRUDE PROJECT

Mr. James Gillies (Don Valley): Mr. Speaker, may I put a final supplementary question to the Acting Prime Minister. Given the fact that yesterday the right hon. Prime Minister said that the Canadian government had agreed in principle with the idea of a floor price and that the cabinet had in fact discussed prices—in which case I would think my question was not entirely hypothetical—is the floor price that the Canadian government is talking about a price that will ensure continued development of the Syncrude project and the development of oil out of oil sands?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, the two matters are not directly related. The decision on an international floor price might be quite different from that. The hon. gentleman knows that what was said about Syncrude was said about Syncrude and not about oil prices generally.

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EXTERNAL AFFAIRS

REQUEST FOR ASSURANCE VIETNAMESE ART TREASURES NOT CONSIGNED TO GENERAL DANG VAN QUANG

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to address my question either to the Acting Prime Minister or to the Minister of Manpower and Immigration. We have been hearing these last few days stories about a vast consignment of archeological and artistic treasures that have been smuggled out of South Viet Nam and have now been sent en route to their "owner", at present a refugee in Canada living in Montreal. Can the Acting Prime Minister or the Minister of Manpower and Immigration assure this House that that consignment of $150 million worth of treasure, presumably belonging to the Vietnamese people, is not consigned to General Dang Van Quang, whose presence in Canada alone has caused sufficient consternation among the Canadian people?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, there is indeed a great deal of confusion. Any information that I have with regard to these reported art treasures moving from Guam to Canada has not, so far at least, involved in any way Lieutenant-General Quang; that is a separate problem altogether. The only information that I can give the hon. member and the House is this. This information has come to me by way of public allegation; no evidence has been presented to me or, as far as I know, to any other member of the government.

The case involves one Dao Dip Khanh who has been a landed immigrant in Canada since 1971. She returned to Viet Nam and married one Vo Duc Dien. She returned to Canada recently as a returned resident, which she is entitled to do as a landed immigrant. Her husband is somewhere in the United States. She does not know where at the present time, but she knows her husband is sending her personal effects to her, valued at $100,000 by the report that we have had. She lives at this time with her father in Montreal who is also a landed immigrant and has been for sometime. She is coming into our Montreal office this afternoon to discuss the matter. As of now, the information I have would indicate that the other allegations really are not founded on any statement that we have been able to obtain to this time, but we will be continuing to follow this in light of suggestions which have been made through unofficial channels.

* * *

● (1430)

NATIONAL REVENUE

AVAILABILITY OF MEASURES TO DEAL WITH VIETNAMESE ART TREASURES UPON ENTRY INTO CANADA

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, can the Minister of National Revenue say that he has in hand measures to deal with this treasure when it shows up at the Canadian border as "household effects" destined to a refugee from Viet Nam?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, as in the case of anything that arrives at the border for anyone, it would be handled pursuant to Canadian laws that apply.

Oral Questions

AGRICULTURE

ADEQUACY OF SUPPLY-MANAGEMENT PROGRAM OF CANADIAN EGG MARKETING AGENCY—REQUEST FOR TABLING OF AGREEMENTS WITH PROVINCES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, on May 20, in reply to a question by the hon. member for St. John's East regarding import controls on U.S. eggs, the Minister of Agriculture said that no action will be taken until "it can be shown that the egg producers of Canada have their supply-management program in proper order". The minister went on to say that the producers claim this has already been accomplished, but he was checking out these facts. I should like to ask whether the minister has checked out the facts and is he now satisfied that the program in fact is in order?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am to get a report later this day so I am not at all in a position to indicate whether I feel the supply-management program is or is not in order.

Mr. Jarvis: Mr. Speaker, could the minister tell us when he anticipates he will be able to table the agreement, and would he also agree to table at the same time the amendments or riders the various provinces attach to that agreement?

Mr. Whelan: Mr. Speaker, I understand that these are public documents once they are signed, so I feel there should be no difficulty in tabling them, following the usual procedure of getting permission from the co-signers.

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ENERGY

OIL AND NATURAL GAS—DATE OF MEETING WITH PROVINCES TO DEAL WITH PRICES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Acting Prime Minister or the Minister of Finance. Is the minister able to report to the House that there has been any progress in arranging for the date of a further meeting of the first ministers of the provinces and the Prime Minister to deal with the prices of petroleum and natural gas? If so, what is that date and will this precede the budget mooted for June 23?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, there have been some informal conversations but no date has as yet been fixed.

Mr. Lambert (Edmonton West): Mr. Speaker, will the Acting Prime Minister assure the House that such a meeting is to be held?

Mr. Sharp: Mr. Speaker, I think it would probably be desirable to have a meeting, but this is a decision which has to be made by all the prime ministers, including the Prime Minister of Canada; therefore, I cannot answer.

Mr. Lambert (Edmonton West): It won't be before June 11?

[Mr. Basford.]

IMMIGRATION

REASON FOR FAILURE TO CHECK BACKGROUND OF GENERAL QUANG BEFORE GRANTING PERMIT AS REFUGEE FROM VIET NAM

Mr. Derek Blackburn (Brant): Mr. Speaker, in view of the fact that Mr. Quang was brought to Canada, not from Viet Nam, but from the relative safety of the United States, and in view of the fact that according to the minister's own officials it is normal practice to check out a potential refugee's background when time permits or when the potential refugee's life is not at all jeopardized by such a gathering of information, would the Minister of Manpower and Immigration explain to this House and to the people of Canada why in this particular case there was such a hurry to grant Mr. Quang a minister's permit?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker. A minister's permit is a very temporary measure allowing him to reside in Canada for a limited period of time, and it is revocable. An investigation is going on now, and there is no inhibition in respect of that investigation by virtue of it being done when he is here as opposed to when he was there. Any decision to formalize his authority or otherwise to stay in Canada will be based on the results of that investigation when we have them.

Mr. Blackburn: Mr. Speaker, in view of the fact that Mr. Quang is allegedly an important figure in the heroin trade which, if true, would make Quang ineligible for landed immigrant status in Canada, and in view of the fact that there was no need for any hurry in the granting of a minister's permit as well as in view of the serious nature of the charges against Mr. Quang, was there any pressure brought to bear on the minister's department by any foreign government or any agency of a foreign government, either formally or informally, to waive the normal procedure and accept Mr. Quang immediately?

Mr. Andras: Not to my knowledge, Mr. Speaker, and I have carried out some preliminary inquiries on that very matter. It has been confirmed to me at this stage that there was no such contact or suggestion by any foreign government or representative thereof. The fact is that Mr. Quang's children and wife, or children rather, were in Canada, and that was one of the considerations in granting the minister's permit, pending investigation.

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[*Translation*]

INDUSTRY

TEXTILES—REQUEST FOR NEW POLICY TO PROTECT EMPLOYMENT

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Quite recently, the Prime Minister of Canada announced that his government intended to bring in a new comprehensive policy for the textile and clothing industry in Canada. Is the minister's department now in the process of formulating this policy and can the minister advise the

House when a truly national policy will be launched so that employment in that industry will not be protected only but also encouraged?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we do have a textile policy right now which I think has served Canada well over the years. At the present time, however, there are difficulties as a result of low-cost imports. We have taken measures to deal with those low-cost imports, but there may be additional measures that will have to be taken. In light of that, we are reviewing the textile policy, and I would hope later this year we will receive a report.

Mr. Diefenbaker: By that time the textile industry will have gone.

[*Translation*]

Mr. Fortin: Mr. Speaker, I have a supplementary.

Is the minister aware that the Prime Minister wrote to a mayor in the St. Maurice region assuring him that the textile industry would be protected and that an overall policy would soon be introduced in Parliament? Can the minister tell us whether he is aware of the statement made by the Prime Minister or the stand he took, and if so, when this will be done?

[*English*]

Mr. Gillespie: Mr. Speaker, I have already indicated that the policy is under review. The government is not yet in a position to make any decision and will not be for several months, but there is very active consideration going on at the present time.

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INDIAN AFFAIRS

WITHDRAWAL OF VOCATIONAL REHABILITATION SERVICES FROM NATIVES IN MANITOBA—REQUEST FOR REVIEW AND REPORT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, two weeks ago I asked the Minister of Indian Affairs and Northern Development whether he was aware of the directive from his department withdrawing vocational rehabilitation services from the treaty Indians in the province of Manitoba. He indicated at that time he was going to investigate the matter and report at a later date. Is he ready with his information on that subject now?

An hon. Member: I hope so.

Some hon. Members: Oh, oh!

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. It is my understanding that the withdrawal of the provincial services provided by the Manitoba Vocational Rehabilitation Services has not been abrupt, as I think was suggested, but has been gradual. It will be done on a gradual phase-out basis which I am told has been discussed and agreed upon.

Mr. Dinsdale: Mr. Speaker, in view of the fact that the directive indicated June 30 was the termination date, and that this program is heavily funded by the Canada Assistance Plan and has been of great benefit to the treaty Indians in the province of Manitoba, and in view of the fact it is planned to transfer responsibilities to Canadian Manpower Centres which do not have the counselling resources to handle this program, will the minister review the matter further to make certain that this outstanding and beneficial service is not terminated on June 30 as that directive from his department indicated?

Mr. Buchanan: I have not yet had the report, Mr. Speaker, but it is my understanding there was a meeting last Friday between our regional director and the Canada Manpower Centre officials in Brandon, and that in addition to the regular manpower staff there are nine officers employed under the Pathfinder Outreach Program. It is felt that among them they will be able to accommodate the case load.

● (1440)

Mr. Dinsdale: Mr. Speaker, I have a supplementary. Is the minister aware that the man in charge of the Pathfinder Program in the western Manitoba region has recently been fired by that organization?

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

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ENERGY

FUNDY TIDAL POWER PROJECT—INQUIRY AS TO COMMENCEMENT OF STUDIES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. Can the minister tell us whether any of the five phased Fundy tidal power studies announced last November have commenced and if not can he tell us when the first study will commence?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will have to take that question as notice if the hon. gentleman does not mind because I am not sure whether or not anything has been done this year.

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ADMINISTRATION OF JUSTICE

INTRODUCTION OF MEASURES TO DEAL WITH VIOLENT CRIMES—SUGGESTION NO DELAY PENDING DEBATE ON CAPITAL PUNISHMENT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I should like to direct a question to the Solicitor General. I wonder whether the minister can tell us if he is in any better position today, after the federal-provincial conference with the law officials in Victoria and in view of the release by Statistics Canada over the weekend concerning the increase in violent crime, especially murder which is

up 11 per cent, to tell the House when firm proposals to meet this problem of increasing crime can be laid before the House so that there can be a balance between reform, rehabilitation of the criminal and the protection of the person in a free society?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is exactly the goal we wish to pursue. We will have a measure to put before the House shortly. I cannot give the hon. member an exact date, but I hope to have an announcement soon.

Mr. Nowlan: Mr. Speaker, with an appreciation of the problems involved in this very sensitive area, can the minister assure the House that there will be no delay because of the involvement of inter-related measures which could help meet the crime situation now and/or the emotional debate that might ensue on capital punishment and that if there are measures to meet the crime situation now that they will be introduced and that capital punishment will be treated on its merits or demerits.

Mr. Allmand: Mr. Speaker, there will be no delay of any measure in order to put it forward with a measure on capital punishment. On the contrary, we are trying to speed up some measures which might have taken longer so that we can do more to protect the Canadian people from crime.

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CRIMINAL CODE

POSSIBLE AMENDMENT OF ABORTION PROVISION—GOVERNMENT POSITION

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Justice. Last week the Committee of One Million presented a brief on abortion to the Prime Minister in connection with the presentation to Parliament this Thursday of a petition of one million names. I should like to ask the minister now if he has studied the brief and whether or not he is giving consideration to legislative action to restrict abortions to cases where the medical need is indisputable and to do this by specifying in legislation that the word "health" in section 251 of the Criminal Code is not to include social factors?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I do not think there is any indication that social factors, apart from those which have an impact upon health within the meaning of the section, are relevant in any case. I do not think the brief changes the essential position of the government which is that if the medical committees are willing to take the responsibility that was transferred to them in the 1969 law, we have a law which can be made to operate. There is no immediate intention therefore to present further legislation.

Mr. Roche: Mr. Speaker, in light of the escalation of abortions which now exceed 43,000 per year or 12.6 per cent of live births, I should like to ask the minister if the government is giving any consideration to guaranteeing protection of the child conceived but not yet born.

[Mr. Nowlan.]

Mr. Lang: Mr. Speaker, the position of the unborn child of course was at the base of the thinking which led to the particular law in 1969 and that form of protection for it. We are looking at the whole question of the operation of the abortion law and the steps which should be taken to make it work more effectively. There may be some announcement in due course about this, but as to the specific intention in respect of legislation my previous answer stands.

SUGGESTED AMENDMENT TO MAKE APPLICATION OF ABORTION PROVISION UNIFORM—PROPOSED REFERENCE TO SUPREME COURT FOR INTERPRETATION OF WORD "HEALTH"

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question along the same line. I might preface it by saying I agree with the position of the minister. There is a difference of opinion in the House on both sides relative to abortion. I should like to put this question to him because I believe it is very serious. In light of the fact that Morgentaler was convicted of certain acts and is now still being charged before the courts for acts which committees in other provinces are approving every day, does the minister not feel it is time the law was reviewed and changed so that the law is respected and made uniform throughout the country in this regard.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the law of course is uniform. A question does arise under the law concerning the place of, and the functioning of, the medical committee. That, of course, is another matter which depends upon the responsibility and the kind of action which is taken by authorities other than this parliament or this government.

Mr. Woolliams: Mr. Speaker, would the minister not consider taking this matter before the Supreme Court of Canada to obtain a judicial interpretation of the word "health" in the section with reference to abortion, what it means in relation to the mother and so on, so that the law will be applied uniformly across the country.

Mr. Lang: Mr. Speaker, I am not convinced that an immediate reference to the Supreme Court is the best solution. I did indicate in my earlier answer to the hon. member for Edmonton-Strathcona that the question of the law and its operation is something we are looking at, and that we will be proposing certain steps in respect of its operation. As a result of the examination of this operation, I indicated there would be an announcement in the House in due course.

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CANADIAN NATIONAL RAILWAYS

REQUEST FOR REPORT ON ESCALATION OF PENSIONS OF RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Transport may I direct my question to his parliamentary secretary. On Monday, May 12, as recorded at page 5689 of *Hansard*, when we were discussing the estimates of the Department of Transport, the minister said that on Monday, May 26,

there would be a meeting of the CN board to discuss the question of the escalation of pensions of retired CNR employees. I indicated to him, and I am keeping my commitment, that on Tuesday, May 27, I would question the minister about this matter. I wonder whether the parliamentary secretary could now indicate what decision the CN board took yesterday.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answer to my hon. friend I am not sure whether the decision was taken yesterday, but just before coming into the House I was given some brief information to the effect that there was an escalation provided for CNR pensioners effective January 1, 1975, pertaining to people who went on pension from December 31, 1972, and from thereon back. The amount varies from $12 a month to $7 a month. There are different rates. I may have to provide the details to my hon. friend later, but there has been an escalation covering the period of time from December 31, 1972, on back.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Will the parliamentary secretary ascertain whether this is the end of the story or whether the board has other decisions to make regarding Canadian National pensions.

Mr. McIsaac: Mr. Speaker, I shall be glad to make an inquiry in that regard because I cannot answer that right now.

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ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR REPORT ON ALLEGATION MR. GONZALES OPERATED AS CIA AGENT IN CANADA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General relating to a letter he wrote me on April 9 regarding a Virginio Gonzales an alleged CIA agent in Canada. The minister said in his letter at that time he was having a further investigation in view of the fact that Mr. Gonzales stated he did operate inside Canada. Can the minister advise me how his investigation is coming along?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not have a further report at this time but I will try to obtain one from the RCMP and report to the hon. member as quickly as possible.

Mr. Reynolds: Mr. Speaker, can the minister assure the House that he will have that information for the Standing committee meeting tomorrow afternoon?

● (1450)

Mr. Allmand: I will do my best to obtain such a report for the meeting tomorrow.

EXTERNAL AFFAIRS

POSSIBLE DIFFERENCE OF OPINION BETWEEN FRANCE AND OTHER NATO COUNTRIES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Acting Prime Minister. As the President of France will not be present at the summit meeting of NATO countries, instead sending his foreign minister, does this indicate there are fairly sharp differences of opinion or views held by the President of France as opposed to other NATO countries and particularly Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. gentleman knows, France is not part of the integrated force. There has always been some difference in the attitude of France to NATO. I do not think this represents any deterioration.

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AGRICULTURE

CANADIAN EGG MARKETING AGENCY—POSSIBILITY OF ENFORCING AGREEMENT AND ACTION WITH REGARD TO BIRD POPULATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is to the Minister of Agriculture and arises from a question posed by the hon. member for Perth-Wilmot. On the basis of the information the minister has before him, is he satisfied that the present agreement can be satisfactorily enforced, having regard to the terms and conditions which were added by the provinces to the original agreement, and has the minister obtained a legal opinion as to whether the penalty of $1.00 per bird on flocks in excess of quota can be legally enforced?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I said earlier, I do not have a full report, and part of the report is the legal opinion I am waiting for.

Mr. Mazankowski: I wonder if the minister can outline to the House whether any positive steps have been taken to bring the bird numbers into line commensurate with production targets, or has there just been no action in this regard whatsoever over the last six months?

Mr. Whelan: It is obvious that there has been some reduction in the bird population. It is quite a bit smaller than it was at this time a year ago.

Mr. Mazankowski: Could the minister indicate to the House which provinces have not brought their bird numbers into line?

Mr. Whelan: No, Mr. Speaker, because I would have to familiarize myself with the record.

Mr. Mazankowski: Don't you know what is going on?

Oral Questions

REGIONAL ECONOMIC EXPANSION

METROPOLITAN AREA GROWTH INVESTMENTS LIMITED—DATE WHEN AGENCY WILL BECOME OPERATIONAL

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. I would like to ask again whether he has any new developments to report on the progress of Metropolitan Area Growth Investments Limited which, as the minister knows, is becoming, after three years of non-operation, rather a symbol of ridicule and an object of wrangling between the government of Nova Scotia and the federal government. Has he set any deadline? Has he any progress to report in regard to when this important corporation, funded by the taxpayers of Canada to the tune of $20 million, will finally become operational?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I cannot give a specific date, but I can report progress to the hon. member. He may have seen a news item to the effect that the board is in fact constituted. If it has not finished drawing up the terms of reference for a chief executive officer, it is in the process of doing so.

I have additional information for the Leader of the Opposition. I met with the two Nova Scotian representatives appointed by the federal government in the past few days. I hope to meet with the full board in the future. I can only say that the frustration of the hon. member is only exceeded by my own, and the faster we can get it off the ground the better.

* * *

NATIONAL DEFENCE

STEPS TO ENSURE NO WASTE IN NATO EXPENDITURES—POSSIBILITY OF REDUCTION IN CANADIAN COMMITMENT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is to the Minister of National Defence concerning NATO. In light of Mr. Callaghan's report to the United States state department that the total cost to NATO for duplication of research and equipment has been over $20 billion, would the minister please explain what steps he has taken to ensure that in so far as Canada is concerned such waste will no longer be acceptable or accepted?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I indicated in Brussels last week at the NATO meeting that Canada was prepared to continue its contribution to NATO at the present level.

Mr. McKinnon: I am a little baffled by the minister's answer, but I will leave it.

Further with regard to NATO, Dr. Schlesinger in Europe last week sought assurances that the NATO countries would not cut their forces in Europe. Did the minister give Dr. Schlesinger such assurance that Canada will not cut its number of troops in Europe?

[Mr. Mazankowski.]

Mr. Richardson: We were not asked to confirm the size of our force in numbers. We indicated that we would keep Canada's contribution at its present level.

An hon. Member: Until the next review.

* * *

ADMINISTRATION OF JUSTICE

REASON FOR INQUIRY INTO ACTIVITIES OF SEAFARERS INTERNATIONAL UNION UNDER LABOUR CODE—REQUEST FOR PUBLICATION OF REPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Justice. Now that we know that the reference to section 196 of the Labour Code by the minister is primarily a red herring in that we do not have an inquiry or a probe, nor do we have an industrial inquiry commission, but rather a continuation of the investigation done by the RCMP and officials of the minister's department, why was this matter directed to the Minister of Labour for further pursuit, thereby deceiving—and I say this respectfully—the Canadian people, rather than placing the matter before the Solicitor General?

Hon. Otto E. Lang (Minister of Justice): I appreciate that the hon. member can use strong language in a very quiet way and therefore have it escape some of the attention it would otherwise receive. Notwithstanding that provocation, let me say to him that this is anything but a red herring. It is exactly the traditional Canadian way of examining whether there is any wrongdoing, namely, to have an investigation which does not attempt to launder matters in public with all kinds of at-large hearsay allegations. This is the proper way of proceeding when there is a matter for investigation.

This matter is divided into two essential parts. One has to do with the part which may involve the Criminal Code of Canada, and any time those matters are involved, it is for provincial attorneys general to take charge. When matters involve the Canada Labour Code, whether in regard to offences or to the determination of what changes are needed, this is obviously the responsibility of the Minister of Labour, and it is a responsibility he has properly exercised.

Some hon. Members: Hear, hear!

Mr. Alexander: Now that the minister has attempted to answer my question and has not, can he advise me whether the report will be published after the investigation has been completed?

Mr. Lang: This very much depends on the nature of the report and the kind of report which can be published.

Some hon. Members: Oh, oh!

Mr. Lang: I am very surprised if the hon. member's colleague from Calgary North does not appreciate the fact that if a report contains certain charges allegations without foundation which could lead to a charge, that is not the kind of thing which in our system ought to be pub-

lished, and it will not be published; but if charges can be laid, that will be done.

Some hon. Members: Hear, hear!

* * *

LABOUR CONDITIONS

REASON MINISTER SAID ONTARIO STRANGELY UNHELPFUL WITH REGARD TO ALLEGATIONS CONCERNING ACTIVITIES OF SEAFARERS INTERNATIONAL UNION

Mr. Lincoln M. Alexander (Hamilton West): It appears to me that the report will only be for the edification of the front bench of the government in power. I would like to ask a final supplementary of the Minister of Labour. Knowing that the minister does not like to deal with innuendos, and rightfully so—and he is concerned about that—I wonder if he can advise the House as to the circumstances which led him to indicate that Ontario authorities were strangely unhelpful—and I emphasize the word "strangely"—would the minister conclude that this is the type of innuendo he has registered his concern about?

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker—

Mr. Alexander: Mr. Speaker, my question was framed whether the minister—

Some hon. Members: Oh, oh!

Mr. Alexander: Would the minister now indicate to the House why he used the word "strangely"? That is what I am trying to get at. Is he prepared to take us into his confidence?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I already dealt with this question when I dealt with the matter in the House last week, but I will repeat it for the edification of the hon. member. When provincial ministers call for a federal inquiry into a matter, as they did in this particular case, and while continuing to call for one they also indicate that they are going to send information down to Ottawa on which we can base a conclusion, and the information does not arrive for weeks and weeks until indeed we have to go out and search it out ourselves, I would call that just what I called it yesterday, strangely unco-operative.

Some hon. Members: Hear, hear!

* * *

HEALTH

GOVERNMENT ACTION TO ENSURE MEAT UNFIT FOR HUMAN CONSUMPTION NOT SOLD TO CONSUMERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I would like to ask him what he did when he found back in late 1973 and early 1974 that putrid meat unfit for human consumption was being sold in Quebec. Did he do anything to assure himself that the inspection system being operated in that province was successful, and if he made no approach to the government of Quebec with regard to this, what did he do at that time to discharge his obligation to prevent meat unfit for human consumption from being sold to the Canadian people?

Hon. Marc Lalonde (Minister of National Health and Welfare): I am afraid that the Leader of the Opposition is turning into an old gramophone which repeats the same record. I have answered this question several times quite clearly.

Some hon. Members: Oh, oh!

● (1500)

Mr. Speaker: Order, please. I have indicated once in this question period already that if further questions are to be pursued on this matter, they ought to break new ground.

Mr. Stanfield: Mr. Speaker, with respect, I am breaking new ground. I am not asking the minister why he did not prosecute people. I am giving him an opportunity to tell this House and the people of the country what he did, if anything, to discharge his responsibilities.

Some hon. Members: Hear, hear!

Mr. Lalonde: Let me say once more that the situation is very simple, Mr. Speaker. The Leader of the Opposition is again distorting the facts in the preamble to his question.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lalonde: I have said a dozen times in this House—and I am surprised that the hon. Leader of the Opposition cannot get that into his head—that there was no evidence in 1973 and early 1974. There were only rumours and innuendoes—

Some hon. Members: Oh, oh!

Mr. Lalonde: Check the record. On that basis my officials asked the police forces to pursue the investigation because it could only be pursued by the police forces. The type of distortion that the hon. Leader of the Opposition is introducing in the preamble to questions will not help in clarifying this situation.

Mr. Speaker: Order, please. The right hon. member for Prince Albert (Mr. Diefenbaker) on a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. DIEFENBAKER—SPEECH OF PRIME MINISTER ON PRIVY COUNCIL ESTIMATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege. Even though sometimes things are said in the cut and thrust of debate that ought not to be said, I am not one who suffers from eggshell sensibilities. I can understand that in the cut and thrust of debate statements are sometimes made that all of us wish had not been made. That observation does not apply to a speech delivered on Thursday last by the right hon. Prime Minister (Mr. Trudeau). I was ready to raise this matter on Friday but the Prime Minister was not here. Yesterday I was unable to be present owing to circumstances beyond my control. I am, therefore, raising the matter today so that there will be no loss of my rights and the rights of the House to be protected against diatribes and statements which bear no relationship to the facts.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: On Thursday last it was understood between the hon. Leader of the Opposition (Mr. Stanfield) and the government, in respect of the debate that was to take place, that 15 minutes would be allotted. The Prime Minister asked to go first.

Some hon. Members: No.

Some hon. Members: Oh, oh!

Mr. Lang: That is not the fact.

Mr. Diefenbaker: I have touched a nerve over there, Mr. Speaker. I have not read the whole of the speech. In order to explain the fabulous, wasteful and profligate expenses, the Prime Minister decided to follow the practice which is sometimes followed—of producing something in place of the facts. He referred to me as a fisherman. I have fished in various parts of the world, and it is of interest—

Some hon. Members: Order!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I have never had such audience participation.

An hon. Member: You got yourself some suckers this time.

Mr. Diefenbaker: The statements made regarding myself, while they cannot be described in this House of Commons in the words of Machiavelli—although the Prime Minister has always claimed that Machiavelli was in fact his political godfather—Machiavelli said that lies have their position; lies when used are bound to be useful. I have pursued this statement. The Prime Minister was in a position of endeavouring to explain how it was that his staff had increased five-fold since he took office in 1968, and the budget of the Prime Minister's office and that of the Privy Council Office had increased 39 times to almost $20 million.

I mentioned fishing, Mr. Speaker. There is a fish in Fiji—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I do not want to unduly restrict the right hon. gentleman, but there is a tendency to get into debate as opposed to a question of privilege. I wonder if the right hon. gentleman would mind making his point.

Mr. Diefenbaker: This is just an example I wanted to give, Mr. Speaker. There are fish in Fiji that when in difficulty exude a black fluid to conceal themselves and their position.

The Prime Minister made a number of statements that I am going to quote. Commenting on the fact that he has two $80,000 cars at his disposal, he said:

I just remember, when the right hon. gentleman suggests that possession of this car—

He should have said "these cars."

—shows signs of paranoia on my part—

I never said that, Mr. Speaker, but I am not surprised that he came to that conclusion. He continued:

—that it was he who, at substantial public expense, had the bomb-shelter built at 24 Sussex Drive.

He went on to say:

The point is that he had that bomb-shelter built at substantial public expense.

Now, sir, I start with that.

An hon. Member: Start?

Mr. Diefenbaker: Mr. Speaker, is there nothing that can pacify these guilty souls? This expensive bomb-shelter was placed there as a result of a decision made in various parts of the world. The fabulous cost of the shelter to which the Prime Minister referred was estimated in the beginning to be $1,100 and, according to the Department of Public Works yesterday, ended up at $400. The Prime Minister compared that sum with the expenditure of $160,000 for two dreadnoughts. The speech became worse as it continued. The Prime Minister then said, as recorded on page 6010 of *Hansard:*

● (1510)

—the right hon. gentleman talked about Harrington Lake. I think that was another unfortunate reference, because I suppose he made the largest land grab when he was in office that was ever made by any private citizen of Canada. He did so when he decided that Harrington Lake and the buildings on it should be the country residence of the prime minister. I do not think anybody then sitting on my party's side of the House criticized that decision. He was adding thousands of acres of land for his private enjoyment.

I could not understand that when I read it in *Hansard* the next day.

I had nothing whatsoever to do with the purchase of that land. The purchase was made in 1951 by the federal district commission when the Right Hon. Louis St. Laurent was prime minister.

Mr. Baldwin: Justin was right.

Mr. Diefenbaker: According to history, Machiavelli became a wicked old man. The statement I just quoted was not diluted by truth. I was amazed to read what the Prime Minister had said. He went on to say:

I think it was a justifiable gesture, one from which I personally have benefited.

Mr. Speaker, we did not spend tens of thousands of dollars on Harrington Lake. Actually, I believe less than $2,000 was spent on Harrington Lake. The Prime Minister then said:

In the same way I hope the next prime minister will benefit from the swimming pool . . . There is a difference: I do not intend to stock the swimming pool with fish, not even sharks—

I am glad he does not intend to stock it with sharks; they might think they have competition. Then the Prime Minister said:

The right hon. gentleman for Prince Albert liked fishing and had Harrington Lake stocked at public expense with fish for his enjoyment . . . That was a shameful incident.

Sir, I tell you that at no time during my period of office, according to the records of the Government of Canada, were fish stocked at Harrington Lake.

I have never, in all the years I have been here, seen such a collection of statements dangerous to the integrity of a member of the House of Commons delivered by a Prime Minister.

Some hon. Members: Shame!

Mr. Diefenbaker: I only hope that the pit which has been dug will be fully filled before this matter is over. I took the trouble to find out when the stocking of fish took place at Harrington Lake. The National Capital Commission records indicate—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The right hon. member for Prince Albert (Mr. Diefenbaker) has the floor on a question of privilege.

Mr. Diefenbaker: I secured the records. They show that the lake was stocked on April 29, 1967, four years after I had been prime minister, with 7,000 speckled trout, paid for by the National Capital Commission; on October 24, 1967, with 500 Atlantic salmon, paid for by the Canadian Wildlife Service; on October 31, 1967, with 1,000 speckled trout, paid for by the National Capital Commission; and in February, 1968, with 3,000 rainbow trout, paid for by the National Capital Commission. The Prime Minister said how shocking it was that I, at public expense and for my enjoyment, stocked Harrington Lake with fish. He said that was a shameful incident.

I could deal with other statements but will not at the moment because I want the Prime Minister to be here. He is away at the moment. He has every reason to be away, although sometimes there is no reason.

Some hon. Members: Shame!

Mr. Diefenbaker: When he comes back I want him to answer in this House or in committee for statements that bear no relationship whatever to the facts. This is an appalling thing. Never in all the years I have been here have I heard such things.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I note the presence of the Minister of Supply and Services (Mr. Goyer). He has something to answer for in Quebec.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I understood from the right hon. gentleman's last remarks that he is reserving any motion which he may propose to move until such time as the Prime Minister (Mr. Trudeau) returns to the House. If that is the case, perhaps the matter could be concluded then.

Mr. Diefenbaker: I want to reserve my right until the Prime Minister's return. I reserve the right to bring in a formal motion then to have this matter placed before the Committee on Privileges and Elections.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Statements of the Prime Minister have the same weight in the House as if made under oath. That is why it is so dangerous when a member of this House holding that position makes the sort of statements to which I have referred, statements entirely undiluted with truth. I, therefore, sir, wishing to preserve these rights, have brought this matter before the House at the earliest possible opportunity.

Some hon. Members: Hear, hear!

Mr. Baldwin: Why don't you defend the PM, Mitch?

Mr. Hees: John, it looks as if you will not have to wait quite so long.

Mr. McKenzie: Mr. Speaker, the Parliamentary Secretary to the Minister of Transport stated that he would provide the hon. member for Winnipeg North Centre with documents relating to CNR pensioners. Members of the Conservative Party are also interested in improvements to the CNR pension plan. I would appreciate being provided with the documentation that the parliamentary secretary will be presenting to the hon. member for Winnipeg North Centre.

● (1520)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on the point of order just raised by the hon. member for Winnipeg South Centre may I say that I spoke to the Parliamentary Secretary to the Minister of Transport about this matter and I believe he would be prepared to have the document made an appendix to today's *Hansard*, if the House agrees. I take it the parliamentary secretary has a document giving details regarding CNR pensions. I should like to request that it be made an appendix to today's *Hansard*.

Mr. McIsaac: Mr. Speaker, I do not feel at liberty to table a document that is addressed to the minister. I would be glad to table, later today or certainly tomorrow, the

essence of the pension increase, the periods covered and all the other essential information.

Mr. Speaker: Order, please. At the moment there is no document in the possession of the House and no document which the parliamentary secretary is prepared to table. I do not see how I can seek consent to table. In light of the parliamentary secretary's suggestion that he may have the document later today or tomorrow, perhaps consent could be sought at that time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, that is what I was going to suggest. It would be appropriate to have this information on today's *Hansard*. Perhaps if the parliamentary secretary has the document later today, we can revert to the appropriate item and put it in at that time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 1,807, 2,430 and 2,444.

Mr. Speaker, would you be so kind as to call starred questions Nos. 2,319, 2,322 and 2,448?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

DREDGING EQUIPMENT BOUGHT AND SOLD DURING PAST FIVE YEARS

Question No. 1,807—**Mr. Forrestall:**

1. Has the Department of Public Works purchased, in the past five years, dredging equipment from any private dredging company in Canada and, if so (a) from which firm (b) for what amount (c) for what purpose?

2. During the past five years, has the government sold any dredging equipment to any company and, if so (a) on what date (b) to which company (c) for what amount?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Department of Public Works and Crown Assets Disposal Corporation as follows: 1. No. (a) Not applicable. (b) Not applicable. (c) Not applicable.

2. The Department of Public Works has not sold any dredging equipment to any company. Any dredging equipment that becomes surplus to the Department's requirements would be turned over to Crown Assets Disposal Corporation for disposal. In so far as the Crown Assets Disposal Corporation is concerned:

(a) Date	(b) Purchaser	(c) Amount
July 15, 1969	Government of Nfld.	$ 1,000.00
January 31, 1971	Mr. Gordon Boisseau 1105 St. Cyrille Ouest Québec, Qué.	13,110.50
June 16, 1971	Province of P.E.I. Charlottetown, P.E.I.	300.00
August 11, 1971	Dept. of Indian Affairs and Northern Development Maritime Region	100.00
August 11, 1971	Dept. of Indian Affairs and Northern Development Maritime Region	45.00
July 28, 1971	Verreault Navigation Inc. Les Méchins Co. Matane, Qué.	2,800.00
May 1, 1973	Ministry of Transport Quebec, Que.	5,228.00
April 10, 1974	Réal Rioux Inc. Co. Matane, Québec	10,150.00
April 22, 1974	Oak Bay Marina Ltd. Victoria, B.C.	37,681.00
August 13, 1974	West Coast Salvage and Cart Co. Ltd. Vancouver, B.C.	8,556.00
January 15, 1975	Mr. J. R. MacDonald Charlottetown, P.E.I.	700.00

*CN—WITHDRAWAL OF TSS "PRINCE GEORGE" FROM SERVICE

Question No. 2,319—**Mr. Munro (Esquimalt-Saanich):**

1. Is it the intention of the government to permit CN Steamships to withdraw TSS *Prince George* from service after its recent small fire?

2. Has CN Steamships given consideration to the repair of the fire damage to put the vessel back in service?

3. Is the government aware that the withdrawal of the vessel from service will put 122 crew members out of work as well as office and dock staff?

4. What steps is the government taking to find alternative employment for the seamen and shore staff?

5. Is the government prepared to see the carriage of tourists along the Pacific Coast become even more in the hands of foreign flag vessels?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in light of the rather lengthy answer, I wonder if hon. members would permit me to table this as read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

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

1. CNSS Prince George suffered a major fire, sustaining damages in excess of $400,000 and rendering the vessel unseaworthy. As a result, the vessel had to be put out of service.

2. CN has performed an appraisal of the damage sustained. The estimate is that more than two months and a sum of about $400,000 would be required to return the

vessel to an operational state. As this would place the vessel out of service for about 6 weeks of the season, and as CN had planned to retire the vessel at the end of this season, CN felt that these major repairs could not be justified.

3. The government is aware of the effect of such a withdrawal and the steps taken to alleviate it.

4. CN has undertaken a multi-faced approach alleviating any difficulties that may arise from circumstances resulting from the accident. CN will absorb some crew members into the transcontinental passenger train service as stewards. CN will also provide a generous settlement for those employees not wishing to exercise this option. Management affected have been offered early separation settlements or other employment. Seasonal employees have also been given settlements or offered alternative employment.

5. The government is always seeking to assure the best and most reasonable service for the tourist trade along the Pacific Coast, within reasonable economic bounds. The route is served presently by many other lines, including at least one Canadian line.

*CHARLOTTETOWN AIRPORT—FROST DAMAGE TO RUNWAY

Question No. 2,322—**Mr. MacLean:**

1. Has a section of the runway at the Charlottetown Airport sustained frost damage that renders a section unserviceable and, if so, does such damage render the runway unsuitable for the operation of DC-9 aircraft?

2. Will repairs, if necessary, be completed before the scheduled commencement on April 28 of DC-9 service by Air Canada?

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the answer is as follows: 1. On April 11 a small section of the runway at Charlottetown Airport sustained damage that rendered the area unserviceable for a few days.

2. The necessary repairs have been made and the runway is back in service satisfactory for the scheduled DC-9 service by Air Canada. The matter of a permanent repair of the runway is currently under investigation.

DEPARTMENT OF VETERANS AFFAIRS—EMPLOYEES EARNING BETWEEN $15,000 AND $50,000

Question No. 2,430—**Mr. Gauthier (Roberval):**

In the Department of Veterans Affairs estimates, how many of the listed (a) 433 administrative employees (b) 972 Welfare Services employees (c) 452 Pensions employees (d) 122 Bureau of Pensions Advocates employees (e) 6,269 Treatment Services employees (f) 489 Veterans Land Administration employees earn between (i) $15,000 and $20,000 (ii) $20,000 and $25,000 (iii) $25,000 and $30,000 (iv) $30,000 and $35,000 (v) $35,000 and $40,000 (vi) $40,000 and $45,000 (vii) $45,000 and $50,000 (viii) $50,000 and more?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

Order Paper Questions

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(a)	37	27	11	3	1	1	—	—
(b)	45	7	1	1	—	—	—	—
(c)	5	12	27	45	1	—	—	—
(d)	9	18	9	1	—	—	—	—
(e)	50	27	18	27	21	1	—	—
(f)	55	17	1	1	—	—	—	—

NOTE: The term "employees" referred to in the question actually refers to man-years. The answer is given as the number of employees.

EXPORT OF ELECTRICAL POWER

Question No. 2,444—**Mr. Herbert:**

1. Have there been any discussions between Quebec or United States officials and officials of the Department of Energy, Mines and Resources concerning the location or size of a power line which is to export electricity from Quebec to the United States?

2. Have any agreements been signed with Hydro-Quebec or the Government of Quebec?

3. Will the line be constructed by the National Energy Board?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: 1. There have been no formal discussions.

2. No.

3. No.

*CONSUMER PACKAGING AND LABELLING ACT

Question No. 2,448—**Mr. McKenzie:**

1. What are the new rules and regulations in regard to the bilingual requirements under the Consumer Packaging and Labelling Act?

2. What changes have been made in the requirements since March 1, 1975?

3. What information on such changes is presently available to Canadian businessmen besides a departmental press release?

4. Will the Minister of Consumer and Corporate Affairs make a formal announcement concerning the rule changes as they have considerable effect on the import of goods to Canada and many Canadian businesses?

5. In order to alleviate the concern of Canadian importers and manufacturers, will the government give immediate consideration to the early promulgation of the new rules?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is as follows: 1. The Consumer Packaging and Labelling Regulations which were gazetted on March 1, 1974, will become effective in regard to labelling requirements for non-foods on Sept. 1, 1975, and for foods on March 1, 1976. They will require that the common name and the quantity of the product be in both official languages. There are exceptions to this requirement, the major one being that prepackaged products manufactured and sold in a local government unit need only have mandatory information in one of the official languages if the population using the other official language represents less than 10 per cent of the total population of the unit.

2. While no changes have been finalized since March 1, 1975, certain proposals for amendments to the Consumer Packaging and Labelling Regulations were published in the Canada Gazette, Part I, April 26, 1975. These include several proposals which would have the effect of granting exemptions from some mandatory labelling requirements for certain prepackaged products.

3. In addition to a press release, copies of the proposed amendments were distributed to all industry associations affected for the information of their members. In accordance with the requirement of the Statute, a period of 60 days has been provided from the date of publication of the draft (April 26, 1975) for submissions by any interested parties prior to formal promulgation of the amendments.

4. See answer to number 3.

5. See answer to number 3.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO RESOLVE LABOUR PROBLEMS

Mr. Charles-Eugène Dionne (Kamouraska) moved:

That this House deplores the fact that the government has neglected to make legislative changes to remedy present problems at all levels of labour activity.

This neglect has resulted in:

(1) a climate of instability and dissatisfaction for workers and the working class in general;

(2) the toleration of a system which allows certain union figures to wield powers exceeding their responsibilities;

(3) the toleration of illegal strikes and work stoppages initiated on any pretext which paralyze or even destroy the economy and the social progress of vast fields of activity;

(4) a continued opposition between employees and employers instead of the development of mutual aid policies.

To remedy this situation, Parliament should:

(1) pass measures granting fiscal advantages to employees and employers to restore their motivation;

(2) effect stimulating measures to increase work attractiveness and professional satisfaction;

(3) urge corporations to set up employee shareholding and profit sharing programs;

(4) create labour tribunals made up of experts in employer-employee relations and empowered to set adequate working conditions for restoring mutual understanding and preventing conflicts.

Mr. Speaker, in looking at this motion, we see clearly that we have realized the great difficulties that exist in the employer-employee relations field and that we intend to make suggestions which seem practical to us to improve the impossible situation in which the workers find themselves these days.

For a few years, all observers of the employer-employee relations scene have been able to find out that the great many strikes of every kind, justified or unjustified, establishes clearly that the labour legislation is not suitable for present economic conditions. Today's negotiating mechanisms as they are used are outdated. They talk about strike first, then negotiations. You will probably remember the time when workers who disagreed with their employers negotiated seriously and, as last resort, they thought of going on strike. Today it is the other way around. It is recognized that many demands are sometimes justifiable, but what it is inadmissible it is that unwarranted irresponsibility they show when they call illegal

strikes if union leaders feel it is necessary, and the only purpose is to put pressure on employers.

In almost all issues of the *Labour Gazette,* we can read articles that prove the concern that exists in employer-employee relations, Vol. 74, No. 10, October 1974, page 534: Going beyond collective bargaining, by Marcel Pépin, President of the CNTU, an article in which the author admits that union action is political; Vol. 74, No. 12, December 1974, page 666: The collective bargaining crisis; Vol. 75, No. 2, February 1975, page 77: In search of alternatives; Vol. 75, No. 3, March 1975, page 139: New outlook on trade unionism.

In most of these articles, present day difficulties are outlined in the field of relationships between workers and employers. Let me quote two short citations from Mr. Jean Pellerin's article on page 144:

> Due to the freedoms and the rights the system recognizes, unions were born and have been in a position to grow freely. If they propose to use these same rights and freedoms to destroy the system that has enabled them to become what they are, they will provoke, not its fall but its hardening.
>
> Already, a trend toward interventionism can be noted. The government must continually involve itself in unions' affairs, and that, at the express request of the latter. It is abnormal.

And yet, we all know that management and workers are somewhat like Siamese brothers: one cannot live without the other. They must be partners in production rather than rivals competing for the profits of the business.

Upon analyzing the wage-price structure, we perforce discover the cycle according to which raw materials coming from the fields, the forests, the ground, the sea or the sky are refined, processed, manufactured, then shipped to the retailer for distribution to the consumer. In their natural state, raw materials cost little or nothing and no price tag can at first be attached to any element such as cost ore from the earth, loom soil, forest trees, fish or sea minerals, the air we breathe. The conquest of raw materials, their processing into consumer products, the subsequent stages of transportation, processing and distribution determine the final price the potential purchaser and consumer must pay.

● (1530)

This listing of the various steps in the processing of commodities leads me to point out an interesting aspect of the Social Credit doctrine of economic distribution based on the value of the collective heritage resulting from the abundant natural resources which Providence so generously heaped upon Canada. Unfortunately, our petty politicians happy in their submission to a corrupted and corrupting financial system keep floundering about in debts, taxes of all kinds, strikes, crime, unemployment, inflation and pollution problems.

It is quite unusual that in a country such as ours there are workers who will have toiled and sweated for years to leave nothing to their sons and daughters but a heritage of debts, misery and hardship. That is why there has to be a reform of the present financial system which no longer meets today's needs.

The contradictions generated by the present system do not make it easy to propose solutions to the numerous problems of the workers. If finance were the faithfull

mirror of reality, if a social body automatically issued new credit to finance any new production, there would be no need to abolish capital domination because that evil would not even exist.

Money capital would be raised as competent technicians and workers would start and pursue the development of our country's raw materials and this capital would in turn be at the disposal of those who are thus creating new riches.

All workers of various categories would find an acceptable solution to their many income problems if they finally decided to really get together and change the financial system which is depriving them, instead of going on strike to fight those who are paying them.

On June 15, 1972, I introduced in the House a motion about the possible reorientation of all labour legislation towards employer-employee profit-sharing. My motion read:

That this House deplores the fact that the government has not adopted the appropriate measures for involving workers in Canadian firms through prifit-sharing and stock purchase programs as a means of promoting social stability, reinforcing our country's economy and ensuring greater co-operation between capital and labour.

I had expected the reaction of some members who are too easily satisfied with existing situations, who prefer to take refuge behind the present federal jurisdiction and believe that a labour legislation governing employer-employee profit-sharing comes instead under provincial jurisdiction. I had tried to allocate the respective responsibilities in a problem of concern to all Canadians. Although the implementation of the suggested measures was restricted to industrial sectors under federal jurisdiction and a great many workers were employed in various administrative services, we feel that the government should set the pace by establishing, whenever possible, a profit-sharing scheme for the benefit of workers. There exists a great many ways to favour such participation.

Several Social Credit members had given at that time several good reasons which warrant employer-employee profit-sharing. I had the opportunity to hear a number of excellent speeches from various members, namely the hon. member for Halifax-East Hants (Mr. McCleave) who mentioned that incentives and policies should be applied to promote a greater participation in investments by Canadians.

● (1540)

The Minister of Labour of the day said he was glad that the Social Credit Party through me had asked that the question be debated, since he realized that we were searching for every means to improve labour relations and increase peace in industry. He then pointed out that the federal government's labour relations legislation was promoting a system in which the workers can have their say in the terms and conditions of employment through freely elected bargaining agents.

I take this opportunity to point out several mistakes made in the name of that so-called "freedom". It is a rather disreputed word nowadays, judging from its interpretation by certain advocates of freedom. We know some people who claim the freedom to bring down the system, after having secured from that same system the freedom to set up regulations on the compulsory check off of dues. Anything can be said, anything can be written in a democracy, but we find that this freedom is not enough for some. We tend to forget that whatever privileges we have, we got them from someone.

I have here an article published in Montreal's *La Presse* on June 3, 1972, entitled: "The freedom of others". There are some passages worthy of some thought which I will quote to you:

The post-industrial world is witnessing a strange situation. It finds that the freedom of some people sometimes destroys the freedom of others. Some freedoms do not exist yet. The worker has freedom of association, but not freedom of non-association. Neither does he have the freedom to choose a union other than the one certified where he works.

There is more. A journalist, for example, may break his contract because of a change in the ideological orientation of his employer, but he does not have the right to withdraw from a labour union for the same reason.

Hospital workers have the right to strike, but when they exercise it, they endanger the patients' life, who have a clear strict right to attentive and sustained care. Public servants have the right to strike, but when they do exercise it they are depriving old people, pensioners and welfare recipients from the right to get their always eagerly expected cheques on time.

Air Canada controllers and technicians have the right to strike, but when they do exercise it their action is detrimental to the interests of people living in the North who are fundamentally entitled to supplies. They nearly caused the death of a child because of the impossibility of sending a rare serum by air.

Teachers have the right to strike but when they do exercise it they deprive children of their basic right to a peaceful and stable education.

Post office employees have the right to strike, but when they do exercise it, they deprive the population of an essential service and seriously prejudice many companies who do their business by mail.

It must never be forgotten that "The right to live" for all and everyone springs from a natural right and that must be given priority over the right to strike and other ones.

I am in favour of the right to join a union, having been myself in charge of the Quebec loggers' organization for ten years, that is from 1952 to 1962. I must add that I am still a "trade unionist" but not a striker. I point out the difference.

In those ten years of union work, I sat through several rounds of negotiations with representatives from large lumber companies and we have always been able to agree on improving the living and working conditions of bush workers, and without ever going on strike.

The right to strike is a precious one, but it smacks of blind egotism when it deprives abusively other citizens of their own rights. Who would dare claim that the rights of union workers must take precedence over all others? Would it be that we have a deranged sense of justice? Going through a red light, parking one's car the wrong way, stepping on other people' toes, shouting at the top of one's lungs out on the street, in public places, are serious matters. But it seems people are unaware of the fact that it is far more serious for an organized group of citizens to use their rights at the expense of the rights, every bit as precious, of those citizens who are not organized.

We grant without any hesitation whatsoever that it is quite normal, quite in order to acknowledge the right of all workers to belong to the union of their choice. Still, if we really want to respect the freedom of those very workers, a text of law written in clear and specific terms should

also exist mentioning that a worker has the right to join the union of his choice, the right to refuse to join it and also the right to withdraw from it.

The provisions contained in the collective agreements negotiated in accordance with the will of the majority of their free members, could determine the responsibilities of the union members with regard to union check-off. Well understood freedom, in the field of industrial relations as in any other field, involves three aspects which can not readily be separated: the freedom to accept, the freedom to refuse, the freedom to withdraw.

I have read somewhere that one must not be a slave to one's environment but one must transform it according to one's ideal. It is hard to find a good reason to justify the attitude of our governments which did not, at opportune times, pass legislation that would have stated specifically what are the rights, the duties and the responsibilities of everyone concerned in the field of union check-off.

Allow me here to quote the opinion given by Me Fernand Morin, in the 1969 edition of *Relations industrielles*, volume 24, page 789. This is what he said:

In our opinion, those conflicts and difficulties should have been solved once and for all a long time ago, by a clear and specific text of law. An act that purports to ensure peaceful and fruitful relations between employers and employees but makes no mention of or is ambiguous about matters of such importance is not good enough.

In view of all the restrictions resulting from compulsory check-off formula when applied indiscriminately to all collective agreements in general and since the recommendations made by Justice Rand in his decision by arbitration rendered on January 28, 1946, have not been implemented, even if he took the trouble to specify: "I do not suggest for one moment that this method can be applied across the board," Parliament should determine by means of an appropriate legislation the responsibilities of everyone with regard to compulsory check-offs. If I have time left and if my colleagues allow me, I shall come back to this question of check-offs at the end of my statement.

At this time and under the terms of the motion introduced, I should like to suggest a means which, in my opinion and in the opinion of many people who are familiar with labour-management relations, should restore some order in our troubled times. Any responsible observer will admit that most of our conflicts come from the lengthy discussions and the delays in settling disputes. It seems that this situation will continue as long as real labour tribunals are not substituted for existing bodies, providing all the safeguards of equity that one may desire, and whose decisions will be binding on the parties. Labour tribunals made up of labour, management and government representatives, made up of experts in the field of employer-employee relations must have adequate powers and information enabling them to: prevent inter-union conflicts by laying down a clear and specific procedure making it possible to determine by secret ballot, under the supervision of two members of the labour tribunal, the right of workers to be represented by a bona fide union; to set a period of negotiations not exceeding 90 days between the parties concerned and to provide severe penalties for those who fail to comply with the regulations; to make an adequate evaluation of the profitability of the undertaking or service taking into account the risks of the monetary reserves necessary to maintain the undertaking and required for income tax deductions and procedures arising from taxation regulations; to determine when required, according to a classification of duties based on the responsibilities of each class of workers, a wage range commensurate with the possibilities of the entreprise and the service and indexed on the cost of living; to require that all strike votes be secret and taken under the supervision of two members of the labour tribunal and that the strike be considered legal only when it is accepted by half—50 per cent plus one—of the employees, and after all the above-mentioned means have been exhausted; to direct the negotiations in the public service area to determine wage adjustments according to varied percentages, by increasing lower wages first, in order to reach a proportional equilibrium between all wages. We do not claim that these labour tribunals will solve all problems, but we have good reasons to believe that they could greatly improve the situation. This is as good a time as any to recall the events that happened at the end of August 1973, here, in Parliament, around one o'clock in the afternoon, when a group of railway employees on strike entered the Parliament buildings.

[Mr. Dionne (Kamouraska).]

● (1550)

One may assume that had they been more familiar with the inside of the building, they might have gone to the House of Commons, occupied the premises and delayed the sitting. For the first time since Confederation, the Speaker of the House of Commons and his escort of dignitaries entered by the back door. Such events should make it abundantly clear to the legislator that the labour legislation must be amended as soon as possible.

I said earlier that I would state more clearly my viewpoint on the application of the Rand formula and on the circumstances in which this decision was rendered. I notice that many seem to be unaware of the facts.

For several years, unions have been using the Rand formula to ensure their incomes. On several occasions, they have even gone overboard by setting up what they call a common front.

It would be in order to recall the events that led to Justice Rand's award and to the very specific recommendations he submitted concerning compulsory check-offs.

This formula is named after an arbitration award issued by Justice Ivan Cleveland Rand of the Supreme Court on January 26, 1946 in a dispute between employers and employees of the Ford plant at Windsor, Ontario. The strike of the Ford employees had been going on from September to December 1945 when Justice Rand was appointed artitrator to make a ruling on these issues under dispute. On January 29, 1946, he issued an arbitration award applicable to the parties concerned. The union wanted a union shop clause along with a compulsory checkoff. The union shop clause allows the employer to hire any worker, belonging or not to the union, provided that, within a delay prescribed by the agreement, those employees should join the union, otherwise they are fired. As for the compulsory checkoff, it is a sum of money that the employer deducts from the salary of the worker and returns to the union.

Justice Rand prefixed his ruling with important considerations on the philosophy of labour law in this coun-

try. Then he gave his sentence. First, he turned down the request of the union shop clause:

> I am unable in the circumstances to award a union shop.

Then he added:

> It would deny the individual Canadian the right to seek work and to work independently of personal association with any organized group.

On the other hand, Justice Rand did not hesitate to admit the principle of a compulsory check-off:

> My award is a compulsory checkoff upon all employees who come within the unit to which the agreement applies.

Here is the essential part of Justice Rand's arbitration award. Then he added:

> I do not for a moment suggest that this is a device of general applicability. Its object is primarily to enable the union to function properly. In other cases it might defeat that object by lessening the necessity for self-development. In dealing with each labour situation we must pay regard to its special features and circumstances.

Furthermore, Justice Rand bound the checkoff with very precise conditions:

1. Every strike should be called by a special vote taken by the majority of the members;

2. The union should take the responsibility of stopping any illegal strike or picketing.

3. Any employee participating in an unauthorized strike should pay the company a $3 fine for every day's absence from work and lose one year's seniority by every week of absence;

4. Should the union violate the obligations stipulated at subsections 1 and 2, its right to the compulsory checkoff would be suspended;

5. Every year, 25 per cent of the employees could require a secret ballot to confirm the mandate of the existing union or to appoint a new bargaining agent;

6. That checkoff clause became a work condition;

7. All employees had the right to join the union, provided they complied with the by-laws;

8. Any misunderstanding about a clause constituted a grievance and was subject to a procedure established for that particular case.

Since then, the Rand formula has taken a more restricted meaning. The conditions which Justice Rand had imposed on the formula proposed in a dispute of the automobile industry have been ignored. Today, the Rand formula is nothing else than a compulsory checkoff clause.

This situation has never been cleared. In various occasions, judgments have been made. In some circumstances, they were favourable and, in others, opinions were divided. In spite of precedents from the Supreme Court in particular cases, the legality of checkoff clauses, of which the Rand formula is only one example, continues to be the target for criticism.

It is true that the Rand formula is in force in many collective agreements. However, that does not mean the freedom of the individual is being respected. In various provinces of Canada, the modes of application vary. Among the arguments advanced for mandatory checkoff, it is often pointed out that labour law has progressed.

I mention in passing that the right to strike also has progressed, and not always for the better.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but the time allotted to him has now expired. To continue, he needs the unanimous consent of the House. Is there unanimous consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Dionne (Kamouraska): I thank hon. members for giving me a few more minutes to complete my remarks on this very important subject.

One needs only to observe what is happening in this day and age when strikes follows strikes at an alarming rate. It must also be added that union security clauses give union members a feeling of security allowing them to work out a better coordination between business management and workers. It is obvious that unions are assured of a revenue in the form of substantial amounts they receive every month from any employer in employer contributions.

Millions are taken out of workers' salaries every month in payment of union dues.

Note that I am not against the payment of dues to a union, provided the amounts are paid voluntarily and the money collected is used in the interest of workers in general. Unions were formed to meet a need, and I see that that need still exists.

However, we also see that several individuals are members of various associations, such as the Knights of Columbus, the Daughters of Isabella, Chambers of Commerce, and hundreds of others. Generally, people are free to join or leave the association. The freedom of people is fully respected.

The value of an association lies in the value of its membership. I admit that a member drawing benefits from his association must contribute to its operation; on the other hand, if the leadership goes astray, he must not be forced to continue to pay for the mistakes, and that is why we suggest that the government should pass legislation to clear up definitely this matter of union check-off which up until now has stemmed from a precedent, a decision in an entirely particular case.

● (1600)

[*English*]

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in following my colleague the hon. member for Kamouraska (Mr. Dionne), I think the first comment is that there ought not to be too much difficulty, even on the government side of the House, in agreeing with the general proposition which is implicit in the hon. member's motion, namely, that labour and management relations in this country at the present time leave a great deal to be desired.

The stark fact, as was brought to light for the Canadian public a few weeks ago, is that presently we have the worst record in respect of work stoppages of any industrial country in the western world with the exception of Italy. It seems to me this is a matter which ought to

concern every member of this House. It ought to, and does, concern the public. I know, from my conversations with men and women in the unions of this country, that it concerns them; and, of course, it also concerns management.

It is not necessary to elaborate in this House on the total collective loss to the community of continued and excessive work stoppages, because all hon. members are fully aware of the hardship, the difficulties, the bitterness and the social strife created by these work stoppages. There is another aspect which I think all hon. members would agree is paramount in our consideration of undue work stoppages. I refer to the colossal waste of our productive capacity and manpower in terms of the men and women in the work force.

It is interesting that the history of work stoppages in the last several years more than illustrates the fact that we have a serious problem. The House of Commons has been called together to legislate the end of work stoppages a number of times since the summer of 1972. In October, 1972, the House of Commons ended the longshoremen's strike in eastern Canada. The House of Commons ended the railway strike in August and September of 1973 by legislation. Further, the House of Commons ended the strike of the grain handlers on the west coast in 1974. Since then the House of Commons again acted in respect of the longshoremen on the west coast and ended that lawful strike. Just recently the House of Commons ended the lawful strike of the longshoremen operating at the three river ports of Trois-Rivières, Quebec City and Montreal.

The apologists for this particular method of ending labour strife believe an ad hoc approach of this sort is the most effective means of responding to a difficulty while at the same time retaining the respect and the right of free collective bargaining with the mutual or collateral rights of walk-out and strike. However, if I may say so, those who cling to that position—I know there are some on the government side of the House—are a long way behind public opinion, because clearly the public has little sympathy with an absolutely unstructured method of solving work stoppages which affect either essential services or the totality of the public interest. I say very pointedly to my colleagues on the government side that despite what some of the apologists for the government may say, there is growing doubt within the cabinet itself that the present ad hoc system is adequate.

As some hon. members know, the Minister of Labour (Mr. Munro) some months ago delivered a confidential document to the cabinet in which he very honestly faced up to some of the specific problems. I shall quote a paragraph of that document and ask government members especially who are sometimes too quick to support the present ad hoc system, which I do not think is satisfactory, to note it because it comes from a document that is before the cabinet today. I quote:

> There have been disruptive work stoppages this past year and I sense growing pressure to review and revise labour relations law and policy—to have another task force research and produce volumes. The Woods report was very useful and the studies are still relevant. That work led to a comprehensive revision of our labour relations code which came into force after intensive lobbying less than twenty-four months ago.

The minister goes on, I think quite properly, and says:

> It does not answer all of our problems and in our democratic society it never will—not if the hope is for a quiescent work force and a strike-free economy.

That is the end of the quotation. So, there clearly is a recognition on the part of the government of the day, despite statements made by some of its own members, that the government or at least the Minister of Labour is not satisfied with the present ad hoc method of solving these crippling work stoppages when they affect essential services or, as I said before, when the total effect of the strike may not confine itself merely to essential services but affects the national interest.

● (1610)

Therefore, I think it is true to say that there is far greater agreement that we must find a better way, among all members of this House, the public, members of the labour force, management and other interested groups within our community, than is now apparent. This better way has been apparent to us for quite some time and it is interesting that the Minister of Labour, in the document sent recently to his colleagues in the cabinet, referred to the Woods report.

Mr. Alexander: He stole our policy.

Mr. Fraser: My colleague is suggesting that the minister stole our policy. If the minister wishes to pluck the policy out from under us, we are prepared to look the other way or we are prepared to give it to him. It is interesting that the minister has said the Woods report is very useful and the study is still relevant. The minister should be bemused at hearing these remarks because today the first page of the business section of that very reputable gatherer and purveyor of news, the *Globe and Mail*, contains this remarkable headline, "Council established in hope of reducing stoppages in work". I quote from the article:

> The federal government has established an industrial relations council of union, management and government representatives to examine ways of reducing work stoppages and labour strife and of improving the work environment.

It is interesting that the article goes on to say:

> Labour Minister John Munro will be chairman, according to Gordon McCaffrey, special assistant to Mr. Munro.

I want to say, on behalf of my party, that whatever surprise we may have in finding that many years after the Woods report came out the minister is beginning to implement parts of it, nonetheless we congratulate him sincerely on taking this very excellent recommendation from the Woods report and implementing it into policy at this time. On page 170 of the Woods report the authors of the report said:

> To ensure that the members of the commission—

That refers to the Public Interest Disputes Commission of which I will have something to say in a few minutes.

> —have the confidence of the parties as well as the public, the Canadian Industrial Relations Council, the creation of which we recommend later, should be consulted in their selection. Once appointed, such members should have the equivalent of tenure—

Then if we read page 214 of the Woods report we see that in paragraph No. 769 the authors recommend the establish-

ment of a Canadian industrial relations council, and I quote:

> Departments of labour and industrial relations in general have been well served by labour-management advisory committees in a number of jurisdictions in this country and abroad. We recommend that such a body be established at the federal level in Canada and that it be termed the "Canadian Industrial Relations Council". The council would be able, on its own initiative or on the request of the department, to examine all manner of industrial relations issues and to offer its advice and counsel, especially on proposed policy and program changes.

Then it lists further details of what the council would do. In the document to which I refer, which the Minister of Labour submitted to his cabinet colleagues some weeks ago, he outlined some of the difficulties facing the world of work, if we want to use that phrase, at the present time and on page 3 of that document he says, with considerable accuracy:

> Some of the problems are of a structural nature in that there are too many bargaining points, too many bargaining agents and unions. The result, as any holiday traveller in Canada knows, is something as exciting as the Olympic lottery. As he embarks on his holiday, confident that the airline pilots are working and that the machinists are also on the job, there just may happen to be a walk-out of ticket clerks and other personnel. And even if all of these private sector employees are on the job, the trip could still be placed in jeopardy by collective action taken by air traffic controllers, technicians, airport electricians or firefighters. There are similar difficulties in the movement of grain—

I will say something about that in a moment.

> —with risk of its steady flow being halted, if in the long stream handling the commodity, there is labour peace on the dockside but not on the ships or the waterways.

I would ask all hon. members, especially those on the government side, to take note of the next paragraph. The minister says:

> It is clear that the system today lacks coherence and has a great potential for conflict.

On page 4 the document to which I refer goes on to say:

> I am proposing, therefore, the establishment of the Canada Labour Relations Council as a mechanism that will go beyond one-shot, crisis or ritual consultation.
>
> Our own objectives for the council would be:
>
> —an alteration of bargaining structures so as to reduce the number of bargaining points,
>
> —the utilization of structures for on-going relationships,
>
> —to persuade the parties to adopt alternative modes of settlement of disputes so as to lessen impact of conflict on others if not on themselves,
>
> —to ascertain what additional programs and services we should be providing in the way of support,
>
> —to maximize the use of collective bargaining as a means of dividing the national product in a fair way.

So far as this party is concerned, at least as far as the minister has gone with respect to the direction in which the government is going the minister and the government have our support; but we are a little astounded to find, when we read pages 170 and 171 of the Woods report, that the things the minister is referring to today, in 1975, in his cabinet document were set out as part and parcel of the recommendations, considerations and deliberations of the Woods report which came to the government in 1968. I will not take the time to quote them, but they are there for hon. members to read.

Although I am a relatively new member, it was interesting for me to listen day in and day out, month after month, for the last number of years to Liberal candidates and Liberal members over and over again saying that the Woods report would not work. We remember ministers of the Crown saying that it would not work.

Mr. Alexander: I remember that.

Mr. Fraser: Others in government have said that only rarely do we have to bring in legislation to end strikes and the ad hoc system we have followed is the best. However, the facts have overtaken them, and in the absence of any structured system which in an effective way involves labour, management and the government, the so-called ad hoc, occasional piece of legislation to end strikes has become a recurring pattern and it shows every sign of increasing. So we say that we support the minister and his recommendations but we ask him to remember that we have been saying since 1968 that this should have been done, and the government has said over and over again that it could not be done.

Mr. Stanfield: The government forgets bad meat, too.

Mr. Fraser: I know that the Minister of Labour will speak to us this afternoon. When he does, I wonder if he would elaborate on an article which appeared this morning in the *Globe and Mail* with respect to the industrial relations council which has just been announced by the minister's special assistant, Gordon McCaffrey. In this regard, it would not be amiss to suggest to the minister that when an important statement like this is to be made, it might be preferable that it be made in the House of Commons, with notice to the parties.

● (1620)

Some hon. Members: Hear, hear!

Mr. Fraser: I say this conscious of the fact that the minister has known for some months that I have had his document and I am fairly familiar with the details. In any event, I think it would be in order if the minister were to elaborate this afternoon or, if this is not the occasion, if he would shortly make a statement on motions to explain the purpose and direction the government wishes to take, even though this is obvious and has the support of our party.

There is another matter which I think is of considerable importance, Mr. Speaker, and it fits in with the general tenor of the motion of the hon. member for Kamouraska. I refer to the question of illegal strikes. As the minister said when talking about the right to strike, that freedom, while unchallenged, is not absolute. The legal right to strike is not absolute, I think most people would agree, when it infringes to an inordinate degree on the public interest. But there can be no question about illegal strikes.

An extraordinarily interesting address was delivered at the convocation at Simon Fraser University, in Burnaby, British Columbia, last Saturday which I had the privilege of attending in an official capacity. The Chief Justice of the Supreme Court of Canada made a speech which was short and very much to the point. He said that if because we did not like a law, or thought a law inconvenient, or for any reason decided we could ignore a law, such an attitude would inevitably destroy the social fabric of the community and put an end to our freedoms and liberties. It is a

sad commentary on the state of affairs in Canada when the Chief Justice of Canada has to make such a remark under those circumstances. There is no question in my mind that the Chief Justice was saying something which he thought had not been said clearly enough by others in the community and had to be said by the highest ranking judge in the country.

One of the difficulties is that the procedures by which we have passed back-to-work legislation leaves a great deal to be desired in the wording of the clauses and in the measures used to force union members back to work. While our party supported the recent legislation affecting the St. Lawrence Seaway workers because we believed that the farmers of Quebec had to get the grain, we are not happy with the form of legislation presently being used to force workers back on the job. That legislation requires us to apply for a court order to be served on the union or union members requiring them to return to work. If they do not obey this order, then they have to brought back to court where they are treated as if it were a traditional case of contempt. I suggest to the minister that there is good reason why this particular form of legislation ought to receive further consideration. The contempt process of the courts ought not to be used to interfere in a union-management dispute. The courts are reluctant to do this.

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but he would only be able to complete his remarks with the consent of the House as the time allotted to him has expired. Is there consent to allow the hon. member to proceed?

Some hon. Members: Agreed.

Mr. Fraser: Mr. Speaker, I thank hon. members for their generosity. I would ask the minister to consider this point. There has to be a more effective way of having the law take effect immediately, otherwise there is an inclination to delay obedience to the law. Such an example to the rest of the community is not to be tolerated. I will not be much longer, Mr. Speaker, but I want to raise with the minister another item which appeared in the *Globe and Mail* this morning. The minister or his friends must have been very busy these last few days because there is more labour news in the *Globe and Mail* this morning than there has been for weeks. One headline reads, "CLC plans talks with grain handlers on strike problem". The article begins:

> The Canadian Labour Congress plans to hold talks soon with affiliated unions involved in the movement of grain to seek some co-ordinated approach to collective bargaining. The move is an effort to avoid a succession of strikes affecting grain shipments.

The article does not suggest that this has taken place as a result of the initiative of the Minister of Labour, and I am sure the minister is not so modest that if he were behind it he would not say so. If he had something to do with it, of course, I commend him and compliment him on his initiative. I also want to commend and compliment my colleague the hon. member for Lethbridge (Mr. Hurlburt) because he has been advocating this approach for a long time. On May 20, as reported at page 5905 of *Hansard*, he said:

> Mr. Speaker, I ask leave to present a motion under the terms of Standing Order 43. My motion concerns the sale and delivery of our grain to foreign customers. The foreign exchange earned by our grain sales abroad is vital to our economy at any time; these sales are especially vital when this country is running a present trade deficit which economists forecast can only worsen. Recent failures to meet our delivery commitments due to lawful strikes within Canada in grain delivery operations have seriously hurt our grain sales efforts; already foreign buyers have gone to rival producers. Not only has our whole economy been injured but our farmer-producers have had to pay millions of dollars in demurrage charges.
>
> In a matter so important to all Canadians, we cannot afford labour-management confrontations where there are no winners, only losers. I suggest that organized labour must be made a party to our international grain sale negotiations. Therefore, I propose to move, seconded by the hon. member for Swift Current-Maple Creek (Mr. Hamilton):
>
> That the government immediately invite organized labour to participate as a party in contract negotiations for the sale of Canadian grain to foreign buyers, to the end that grain movement is guaranteed to meet delivery commitments to foreign purchasers despite any lawful strike.

Unfortunately, as seems to happen too often, the hon. member's motion did not receive unanimous consent. It is a matter of some comfort, however, to see the headline a week later in the *Globe and Mail*, "CLC plans talks with grain handlers on strike problem". The hon. member for Lethbridge deserves credit. He nudged the minister, who in turn nudged the CLC into acting. Hopefully, we shall witness some degree of co-operation which will end the chaos of recent years.

● (1630)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I, too, welcome this opportunity provided by the motion of the hon. member for Kamouraska (Mr. Dionne) to express my views on the industrial relations issues covered by his omnibus motion.

The point that should be made at the outset is this: the hon. member's motion seems to assume that most of the troubles now besetting labour-management affairs are susceptible of legislative solution. The implications of the motion are that all problems in this field are the result of government failure to provide the right kind of legislation, and that the problems can be solved by the enactment of appropriate new laws or the amendment of existing laws. This shows touching faith in the power of legislators. I only wish it were well founded.

The fact remains that we are dealing with some very complex socio-economic developments and they do not lend themselves to quick, easy or arbitrary treatment. At most, legislation can provide a suitable framework within which the parties themselves can work out a satisfactory and constructive relationship. This is the philosophy embodied in the Canada Labour Code. Its preamble refers to "the encouragement of free collective bargaining and the constructive settlement of disputes." It declares its support for the principles of freedom of association and free collective bargaining as the basis of effective industrial relations.

This government has always supported, and will always support, these basic principles. We do not believe that in a democratic society the relations between labour and management can be determined by legislative fiat. This belief has not been shaken in the least by the disturbing increase in the number of industrial disputes and work stoppages in recent years. These signify a weakness in the collective bargaining system or, rather, its inability in its present form to cope with the increasing strains imposed on it by a

rapidly changing society with its growing interdependence and technological advances.

We agree that there must be reforms. The structure of collective bargaining and of industrial relations in general must adapt to the new challenges and complexities that now confront it. But that does not mean we should legislate away basic rights, abandon our faith in the ability of the parties to accommodate their conflicting interests, and try to substitute a Big Brother-like regimentation of all labour relations activities. In a democracy, change—if it is to be durable and acceptable—must come from a process of consensus; and that applies even more forcibly to the volatile world of labour-management affairs.

My department quite openly identifies itself with the interests of the labour movement. We exist to foster and facilitate its legitimate objectives of promoting the welfare of working people. We consult with labour leaders on all aspects of policy affecting their members. We have in recent years expanded this kind of consultation in an effort to involve organized labour in the discussions and dialogue that form such a vital part of the decision-making process of government. We make no apologies for this policy and we intend to develop other channels of consultation with labour and, of course, with employers as well.

As a result of the greater frequency of strikes—particularly those that interfere with public services—many people are complaining about what they perceive as the exercise of excessive power by unions. The hon. member makes this point in his motion. There is a clamour in the press and in the legislatures and in some company boardrooms to curb this alleged abuse of union power. The motion we are debating today reflects that feeling when it refers to "certain union figures wielding powers exceeding their responsibilities."

This conjures up an image of autocratic union leaders bullying their reluctant members, feeding their aspirations with unreasonable wage demands and goading them into strike action against their wishes. This stereotype of the average union leader bears no resemblance to the world of reality. The average labour leader of my acquaintance today is trying to curb his members' expectations and militancy, not stimulate them. He is trying to dissuade them from adopting unrealistically high demands. He is doing his best to avert strikes, not start them.

There are, of course, exceptions. A few well publicized union leaders are speaking and acting irresponsibly. A few are guilty of inflating their members' bargaining objectives and of inflaming their distrust of the employer through misrepresentation and distortion. These few are the ones you read about. The vast majority who are conducting themselves responsibly—who are much more typical of union officials—get little attention in the media. They are too lacking in controversy to make news.

Actually, a good case could be made that most unions and union leaders, far from being too powerful, are not powerful enough. One of the main reasons for the multiplicity of strikes now being experienced—especially those that occur successively in the same industry—is that collective bargaining is splintered among so many different bargaining units. Power, instead of being concentrated in one union or one bargaining unit, is diffused among several organized groups.

When we talk about the need for industry-wide bargaining to do away with this fragmentation of contract negotiations, what we are in effect advocating is the concentration of more union power. This would repose in the central union leadership, rather than in the hands of numerous small union fiefdoms, the power to bargain for all the workers in an industry. Strikes would be fewer and would require the approval of a majority of the entire work force instead of a majority of each small subgroup.

I am not implying that all central labour organizations lack power under the present bargaining structure or that they are not sometimes guilty of abusing their power. We have only to look at the revelations of the Cliche commission in Quebec to see how corrupt, venal, unscrupulous leaders can gain control of some unions and misuse their power to the detriment not only of the industry and the economy, but of their own members as well. Although the rot that permeates the construction industry in Quebec is outside the federal jurisdiction, it does serve as an object lesson of what can happen when rank and file unionists lose or surrender their democratic rights. It also underlines a glaring omission in the internal mechanism of the labour movement in Canada—the lack of a code of ethics and the means to enforce it.

The reticence of the Canadian Labour Congress preceding and during the Cliche commission hearings—as well as its aloofness from the latest controversy involving the Seafarers' International Union—has not been particularly impressive.

If the congress does not set up the needed internal machinery to expose and correct wrongdoing among its affiliates, it will have no one to blame but itself if governments are compelled to step into the moral vacuum and do the clean-up job the labour movement neglected to do. Government intervention of this kind should be a last resort, undertaken only when the central labour body has attempted to institute reforms and failed. Because the CLC has no ethical standards or mechanism for policing them, the government intervention to which labour objects remains the first and only corrective available.

● (1640)

This is not to convey the impression that corruption is rife among CLC affiliates. Far from it. The vast majority of affiliated unions, locals and union officers at all levels are scrupulously honest and honourable. We all know that. Their over-all record for integrity, I am sure, would match that of any other institution or section of society. This is all the more reason, of course, for the honest majority of unionists to act quickly to rid their organizations of the minority of those whose interests and actions do not reflect those of the membership.

Time does not permit my dealing as extensively as I would like with the prevailing myth that excessive wage settlements are the main cause of inflation, that they are running at double the average rise of wages in the United States, and that they threaten our competitive advantage over the Americans.

I would refer hon. members, instead, to two articles in the *Financial Times*, one by Peter Cook on April 21, the

other by Don McGillivray on May 19, which go far to debunk this myth about allegedly excessive wage increases. Mr. Cook quotes figures to show, first of all, that inflation in Canada "is under better control here than in Europe or Japan"; secondly, that our strike record is not nearly as bad in terms of international comparisons as had been thought; and, thirdly, that the rise in wage costs in Canada has been lower than in all countries except the United States and West Germany.

In his article, Mr. McGillivray admits that Canadian wages have been rising faster than those in the United States, but so has our productivity. In the five years 1969 to 1974, Canada's real gross national product, eliminating all inflation, grew by 23 per cent, as compared with a growth of only 10.2 per cent in the American real gross national product. Mr. McGillivray also points out that when the statistical distortions are removed, average Canadian wage gains have been running at less than 1 per cent ahead of those in the United States over the life of collective agreements, instead of the widely but incorrectly reported double the United States figure. I am not implying for one moment that all settlements are reasonable; some are obviously not, and these remain a matter of real concern. I think this myth about Canadian wage settlements being double those in the United States should be laid to rest right now.

The motion before us refers to an alleged "toleration of illegal strikes" by the government. I would challenge anyone to substantiate that charge. When parliament has acted in cases of economic crisis to enact back-to-work legislation, defiance of the legislation has met with the appropriate response to enforce compliance. This action may not satisfy the authoritarians. It may not appear to be sufficiently prompt or punitive. However, it has been taken in the most feasible way to ensure an orderly resumption of work without going to the harsh extremes that prolong, rather than end, the dispute.

We must always remember that ad hoc, strike-ending legislation, while it may sometimes be the last unavoidable means of protecting the public interest, is a poor substitute for voluntary agreement. I agree with the spokesman for the Conservative Party, the labour critic, in that regard. It necessarily imposes a settlement that is not freely accepted by one of the parties, usually the union. It appears to the labour movement to be a one-sided intervention by parliament on the side of the employer since it takes away the union's sole bargaining lever and forces the employees back on the job against their wishes.

This brings me back to the question of what the government, and my department specifically, is doing to bring about the needed changes and reforms in our particular labour relations system. We are convinced that the system can be improved to meet the challenges of the times and that it can best be done through consultation with the participants. This is a slow and often tedious process, but in our opinion it is the only way. It involves much more effort and time than would be involved in passing the kind of legislation called for in the motion before us.

The goals of the proposed legislation are in some respects admirable and not far removed from our own objectives. However, they cannot be accomplished unilaterally, without involving the parties in the decision-making process. It would be convenient, as the motion urges, to set up "tribunals made up of experts" to devise the new approaches and policies required. However, there are no real experts in the labour-management field; there are only people with enough knowledge of the complexities to know that there are no simple answers to be handed down from on high.

We hear today that the public is fed up with strikes. This has been said repeatedly and to a degree it is true. However, this is an oversimplification and one might ask: If the public is fed up with strikes, why do we have strikes? When we speak of the public, we cannot segregate working men and women in Canada from the public.

In most strike situations today, working men and women are fighting for more dollars to keep ahead of the inflationary spiral that is plaguing this country and indeed the western world. There is another underlying cause for the labour unrest we are experiencing today. As society changes, traditional job values change and people become, rightfully or wrongfully, dissatisfied with their place in the pecking order, as basically we still relate salary to status. We have not yet reached, if we ever will, the millennium or Armageddon described by Alvin Toffler in "Future Shock" where people will have to be paid a salary to stay home and our whole status of values related to wages and salary will have to change.

With larger segments of our working force moving to the service sector of our economy, strains have developed. Those engaged in some services feel there should be drastic changes in the pecking order. A few years ago snide remarks were made about the work of the garbage collector. In today's society we find his work can be pretty important if garbage is piled in the parks in the summer months when he decides he is entitled to more dignity, which in today's terms can only be accomplished through the status of a higher wage. The same holds true for hospital workers and, indeed, the trained nurse—whose skills are greatly needed—takes the position, why the great disparity between her salary and that of the doctor with whom she works?

Traditionally, remuneration has been based on higher education. It was the hope of every working father to be able to put his children through university so they would not have to toil with their hands and they would enjoy the status delegated to those with degrees by our society. I sense the winds of change taking place in this country. Perhaps we will have to pay a premium to those we ask to bend their backs and toil with their hands. Perhaps we will have to pay a premium to those who keep unpleasant things out of our sight, such as garbage, and to those who look after our sick and aged in hospitals and old age homes. It is all very well for us to sit in this House and express horror at certain percentage increases without examining the base rate. We might have different ideas of what our percentage increase should be if we were handling bedpans in hospitals or clearing the garbage from the streets.

Our problem is that as people fight to better their position in the pecking order and correct long-standing inequities and anomalies, other highly organized groups within the work force say, "Traditionally our wages were such a percentage higher than this group, and we must

maintain the differential." We are going through rapid change in this country and all the gnashing of teeth and wringing of hands will not prevent changes from taking place.

● (1650)

I say to those who suggest instant answers to these problems through legislation or other means that they are either naïve or foolish. Over my years in the House I have heard at one time or another the whole range of fantasy from compulsory arbitration to an industrial disputes commission. If solutions are to be developed, they will have to be developed by the social partners, labour and management, acting in unison with government. Only in this way, through participation, can we achieve the commitment to make policies work. It is for this reason that we are in the process of establishing a tripartite type of council to cope with the problems now besetting us and which will intensify in the next decade. I have high hopes for this council, but let me sound a note of warning. The adversary nature of our industrial relations system, which has been fostered since the days when working men had to meet secretly to discuss their conditions of employment, will not be dissipated overnight.

It would be premature to speculate on what the council will deal with, but among the things it may well turn its attention to is the creation of an independent research institute which would be the source of reliable and generally accepted data on which the parties could agree as the basis for negotiation.

Another area where experimentation is long overdue is that of industrial democracy and job satisfaction. I am glad to note that my colleague, the Postmaster General (Mr. Mackasey), plans to give the concept of workers' management a trial in the Post Office. I wish him every success and trust this will be the beginning of a new era in labour relations.

I see in these initiatives the prospect of getting at the root causes of the labour unrest which the motion decries. What we have to do is to provide the stimulus, the framework and the resources which will enable the practitioners themselves to alter their thinking, their traditions, their bargaining structures. At the last meeting of the tripartite council I attended, I was mightily impressed by the tremendous enthusiasm of both labour and management, the determination to get on with the work of the council and give it the time and resources necessary to get on with this type of job because they fully realize the challenges which must be met if we are to maintain a free, collective bargaining system which we all value so highly.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I want to congratulate the hon. member for Kamouraska (Mr. Dionne) for introducing this motion into the House at this time. That is about as much as I have favourably to say about what he said. He has introduced the matter at an important time. I must say his interpretation of the Rand formula going back to 1946 pretty well left me astounded, because he does not seem to have understood the difference between a closed shop and a union shop. To say, as he said, that he rejects dues payments that would be irrevocable, or what he calls compulsory—which is called the agency shop in the United States—and to say he is all for dues being voluntary, is just to say what the management of the United Aircraft plant was saying at Longueuil—now Pratt and Whitney—to the workers there.

I do not think he would say that to the medical profession or the legal profession, and so on, who would not accept into their ranks, into their types of unions, people who would only voluntarily contribute to the good of that union. Mr. Justice Rand, in his famous decision in the UAW case in 1946, pointed out that workers who do not belong to a union and insist there be freedom of decision on their part nevertheless have to recognize that the union is a group working on behalf of the workers, and as such gets certain benefits through the collective bargaining process and these benefits redound to the benefit of everyone in the bargaining unit, so workers who do not want to join the union must at least pay union dues if they are to get the benefits the union provides. In trying to bring about a compromise, he said it is unquestionably right for the people who do not want to belong to a union to be protected, but at the same time they must make a contribution in terms of union dues since they will get the benefit of the work of the union acting as an agency on behalf of all the workers.

Some hon. members know about the compulsory arbitration system under Australian labour courts and tribunals that has been tried, and I for one am very leery to see too much legalism put into trying to reach a compromise between labour and management in such situations in a free society. The fact is we have too much legalism, in my opinion, in the situation now. Labour courts or tribunals are not going to help very much.

The last part of the resolution the Social Credit party presents, urges corporations to set up shareholding and profit-sharing programs, and so on. I think we can go along with that within a certain framework and subject to certain constraints which I will mention as I go along. The point I want to make, as far as the Progressive Conservative spokesman is concerned, is this: I take little objection to what he said. I was glad to hear him remind the minister that the tripartite council he proposes was something coming out of the Woods report, and althought it is a very belated recognition by the minister of this important suggestion, nevertheless we all agree it should have a valuable role to play.

The spokesman for the Progressive Conservative Party notes the colossal waste of production because of the number of man-hours lost through strikes, illegal and otherwise. We all know that this type of statistic is easy to get at, and in parallel we should also note—and the Minister of Labour (Mr. Munro) should recognize it when he makes a speech as he did today—that when you deliberately create unemployment as the government did in 1971 and 1972, and as they are doing now to fight inflation, you should have a figure amounting to $5 billion or $10 billion for goods and services lost through unemployment.

My point is that the amount of production lost through strikes is always noted, but very seldom the amount of goods and services lost through the deliberate creation of unemployment in the economy. I would agree with the minister, though, that we should not be looking primarily for a legal solution in labour-management relations.

● (1700)

I was quite surprised but pleased to hear the minister refer to the myth that has been propagated, that Canadian wage settlements are double the rate of United States wage settlements. He said he wanted to lay that myth to rest once and for all. I wish he would tell the Minister of Finance (Mr. Turner) about this, because the Minister of Finance has been propagating this notion all across Canada. Every editorial I have read keeps repeating that labour wage settlements are pricing workers out of the market. On more than one occasion the finance minister has said—I have questioned the Minister in the House on this—that the major cause of inflation in Canada is wage settlements achieved by unionized workers. This is why I wish the Minister of Labour would bring the matter to the attention of the Minister of Finance. Certainly, I hope that in his forthcoming budget there will not be a repetition of what the Minister of Labour is now calling a myth that needs to be laid to rest.

In referring to the difficulties presently existing in labour-management relations in Canada, the minister noted that the structure of unions in small bargaining units is something requiring serious consideration. The minister is all for more concentration in bargaining units so as to give, he hopes, union organizations more weight, which will cut down on labour strife. He also mentioned the lack of a code of ethics for the CLC and referred in particular to the construction industry in Quebec. I suggest there is an analogy here, one the minister might have brought out, with what took place in the United States in the 1950s when corruption became such an issue among the unions there that the AFL-CIO started to police themselves by setting up their own code of ethics.

The minister also mentioned the drastic change that is taking place in the pecking order, as he put it, and said workers today want a certain dignity. People in the so-called dirty jobs, like garbage collection, want a higher place in the pecking order. We do not disagree with this, but it strikes me that there was a notable omission in the minister's remarks in reply to the hon. member from the Créditiste party who introduced this motion, and the spokesman for the official opposition. I refer to the fact that he failed to mention that inflation was one of the dominant reasons the unions are asking for such high wage settlements and are so disturbed.

I suggest to the minister that if someone in his department researched this question, he would find a very close analogy between today and 1946-47. Incidentally, if I may return to the minister's argument about wage settlements in Canada not being so far out of line with the United States, this very point was made by my parliamentary leader in a debate on May 14 last, as reported at page 5794 of *Hansard*, the fourth paragraph. I am glad to hear that the minister agrees with my parliamentary leader on this subject, but again I ask him to make the situation known to the Minister of Finance.

To return to the question of inflation, recently Dr. Donner, an economist, wrote a comment in the *Globe and Mail* regretting the amount of industrial unrest in Canada today. In his article he makes the same major criticism that I have made of the minister's remarks today. He says:

[Mr. Hogan.]

Unfortunately, the hostility now arising is being directed at particular groups, such as big unions or big government, though rarely is it ever directed at the real culprit in the picture—Canada's high rate of inflation.

I should like to add to that Canada's high rate of unemployment is also causing insecurity among people who are already working. Not only do they fear prices going even higher, so they try not only to catch up but to anticipate future increases, but they fear that the many hundreds of thousands of Canadian workers who have already been laid off will create insecurity in their communities that will flow over into labour-management relations. Dr. Bonner goes on:

Indeed, with the benefit of hindsight, it is clear that it is the gross under-anticipation of the high rate of inflation of the past several years, as well as the efforts to catch up with the lost real earnings by labour, that are now at the centre of the industrial turmoil.

Management was no more perceptive than labour in evaluating the accelerating pace of inflation of the past two years, although management was more quickly able to capitalize on the excess demand pressures of 1973 and early 1974 by increasing prices ahead of rising costs.

We know, of course, that there is a very strong statistical correlation here. When the business cycle moves up, big business can increase their prices and this results in the abnormally high profits that were present in the Canadian economy between 1972 and 1974. It is true that in the first quarter of 1975 the profits of many firms went down, but this is just a phenomenon of the business cycle in a serious recessionary phase. Dr. Donner goes on to say, and it is very important that parliamentarians recognize it:

Labour tended to be locked in by one and two-year contracts, and many of these contracts in the recent past did not have adequate inflation escalation clauses . . .

Moreover, when the ratio of profits to GNP declines sharply, as it did in 1970, and when the labour movement feels that it must catch up with past real income losses, it is not surprising to see the number of man-days lost because of industrial disputes reach high levels. In 1975 we could see the number of man-days lost reach as high as 13 million, 260 per cent above the average for the period 1963 through 1974.

I am making this long quotation from Dr. Donner's editorial because he speaks with wisdom and because the minister failed to deal with this matter in his remarks today. I am happy to see that as a result of high inflation and unemployment, labour and management are getting together. I hope the government will take some of the recommendations flowing from the Woods inquiry and apply them to the labour scene at the end of the 1970s and the beginning of the 1980s.

As far as I am personally concerned, the major cause of industrial unrest in Canada today is, as Dr. Donner points out, our failure to anticipate inflation. I remember during the last election campaign that members on the government side were saying that they could not do anything about inflation. Then we come to this parliament and the Minister of Finance brings in his first budget and says we have a cost-push inflation: then it is a wage-push inflation. The ball game keeps changing every few months. He was still expecting the United States to rescue us from our own problems, which have become worse.

I am not contending that there are any easy solutions to inflation in Canada or anywhere else in the world but I am saying that countries like Germany have done a much better job of managing their economy than we have. We in

this country have had a repetition of much the same kind of policies that we had in 1971 and 1972, although not as restrictive as that period. One would think that the government had learned their lesson; they were almost thrown out of office in 1972. Since we are 3½ years away from the next election, the government probably feels more secure today.

The high rate of inflation in this country, coupled with a high unemployment rate, make a much more serious contribution to industrial unrest and to the kind of illegal work stoppages we have been experiencing than any other one variable mentioned this afternoon. I repeat for the second or third time that I am surprised the Minister of Labour did not make this point an essential part of his argument. But once again I congratulate him for having the courage to say that it is a myth that Canadian wage settlements are far out of line with United States wage settlements. That should mean that no one, including editorial writers and people in the government, can any longer try to make labour the scapegoat for our problems.

● (1710)

It was interesting this week to watch the minister and the Prime Minister (Mr. Trudeau) working hard around the country trying to sell the notion of industrywide bargaining. The minister developed that idea this afternoon and I was pleased to hear him do so. But I would consider it a little premature or presumptuous on the part of the Minister of Labour and the Prime Minister, having announced the establishment of a tripartite labour-management-government advisory council, to then suggest or tell that council that industrywide bargaining is the solution to our problems in the labour-management field. What makes them so sure of that? There are many examples of industrywide bargaining in the United States which would indicate that it could create even more difficulty. This matter is so complex that it has to be looked at very seriously by the experts in this complicated field, although the minister and the Prime Minister did not suggest that this should be done earlier this week; they just offered it as a solution.

I think we are facing the danger of creating an oversimplified panacea, which obviously the minister should want to avoid. It is all right to look at the Canadian steel industry, as one journalist pointed out today, in terms of industrywide bargaining. This type of bargaining seems to be made for that type of industry in which the firms in Ontario control 70 per cent to 80 per cent of the production of all steel products in this country. But what about Dofasco which never had a union organization? How will you get industrywide bargaining in a situation like that? What about Sidbec, in Quebec, which is owned by the provincial government? What about our provincially-owned poor version of Sidbec called Sysco? The federal government practically washed its hands of that when it refused to allow the Cape Breton Development Corporation to take over the steelworks. I say that despite intermittent DREE grants made to Sysco.

I give the federal government full credit for setting up the Cape Breton Development Corporation, but it took away one of its most important controlling aspects when it did not allow the corporation to take over the Sydney Steel Works, forcing that industry back on a relatively financially weak province which did not have the civil servants, expertise or the know-how to tackle the difficulties in creating an internationally competitive steel industry. We are paying for that failure in Nova Scotia today.

When we talk about industrywide bargaining, these are some of the critical problems involved. We have to be very careful now even talking about voluntary arbitration as a good solution. I know George Meany in the United States came out in favour of this, but let us not do the work of the council before it even sits.

Having said that, let me congratulate the minister for having accepted the recommendation of the Woods report and setting up the council and making it a reality. If this is a by-product of the labour unrest due to our inflation and high unemployment, all well and good. I think the references in the resolution to industrial democracy in terms of profit-sharing and workers' shares should be seriously considered by this council as a tool for bringing labour and management together in the 1970s and the 1980s. I join with the minister in wishing the Postmaster General (Mr. Mackasey) well in his attempt to make industrial democracy work in the Post Office.

Perhaps I could just have one or two minutes more, and I will be through, Mr. Speaker.

The Acting Speaker (Mr. Penner): The hon. member's allotted time has expired. He can be allowed to conclude his remarks if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Hogan: Thank you very much, Mr. Speaker, and fellow colleagues. I just want to make this point about the profit-sharing scheme mentioned in this resolution. I think shares going to the workers is a fine idea and I am all for it. I think if we had had some workers on the board of directors in the Cape Breton situation, the 1971 fiasco there would not have happened. I do not want to take the time of the House by going over that matter now, as time is pressing.

Let me remind Social Credit members and everyone else here of what the minister implicitly mentioned today. He said that in no way should these things such as profit-sharing be substituted for collective bargaining as a key implement in our free society. They are good ideas so long as they are not used to subvert union organizations or the organization of certified unions. Having said that, let me suggest that I feel there is a conservatism in the trade union movement, coupled with excuses for not attempting to establish industrial democracy, which are the kinds of things the minister's council well have to consider and overcome in their attempts to accomplish what has been suggested along the lines of the last part of this resolution. They are all part of the over-all picture.

Labour Relations

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): Order, please. I interrupt the proceedings of the House to inform hon. members that pursuant to Standing Order 40 the questions to be raised tonight at the time of the adjournment are as follows: The hon. member for New Westminster (Mr. Leggatt)—Environmental Affairs—Reason for failure to adopt standards for asbestos fibres under clean air act—Possible protest from United States; the hon. member for Central Nova (Mr. MacKay)—Air Transport—Suggested separate ministry for civil air transport—Government position; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Income Tax—Decentralization of data processing—Possible establishment of office in Atlantic region.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED GOVERNMENT FAILURE TO RESOLVE LABOUR PROBLEMS

The House resumed consideration of the motion of Mr. Dionne (Kamouraska):

That this House deplores the fact that the government has neglected to make legislative changes to remedy present problems at all levels of labour activity.

This neglect has resulted in:

(1) a climate of instability and dissatisfaction for workers and the working class in general;

(2) the toleration of a system which allows certain union figures to wield powers exceeding their responsibilities;

(3) the toleration of illegal strikes and work stoppages initiated on any pretext which paralyze or even destroy the economy and the social progress of vast fields of activity;

(4) a continued opposition between employees and employers instead of the development of mutual aid policies.

To remedy this situation, parliament should:

(1) pass measures granting fiscal advantages to employees and employers to restore their motivation;

(2) effect stimulating measures to increase work attractiveness and professional satisfaction;

(3) urge corporations to set up employee shareholding and profit sharing programs;

(4) create labour tribunals made up of experts in employer-employee relations and empowered to set adequate working conditions for restoring mutual understanding and preventing conflicts.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I am pleased to take part in this debate to stress some features in the brilliant demonstration by my colleague for Kamouraska (Mr. Dionne).

Mr. Speaker, my party is privileged to show once more, with a certain amount of courage, some of the ills that, unfortunately, there is a tendency to ignore. The present labour situation is so clear, so obvious, that it is not longer possible to be satisfied with suggestions that problems are complex, that there are no miracle solutions, and so forth. To keep on saying this is simply to admit the situation. The present nightmare in certain areas, and especially in Quebec, is so horrendous that the time has come to wake up and find solutions. It is all the more easy for us to talk about it as we have been referring for years to this extremely bad situation, at the risk of being labelled at times anti-labour and anti-worker, which is totally inaccurate. When we take such positions, it is to defend the worker himself who is being mocked in the process. If this kind of condoning goes on, if the government in particular remains negligent as we feel it is in that area, our democracy might be over and done with.

Concerning the second consequence of the neglect we refer to, the toleration of a system whereby certain labour leaders wield powers exceeding their responsibilities, we are now experiencing such a consequence of the failure of government leaders.

When certain labour leaders, specifically those who were responsible for gangsterism in James Bay, who in the course of simple labour conflicts caused tremendous property damage totalling over $35 million, when these same individuals are expected to decide today whether or not the Olympic Games will be held in Montreal in 1976, is this not giving them a responsibility that is not theirs? Have these people not proved by their former behaviour that they are far from having the qualifications required to take such responsibilities?

Such is the situation, Mr. Speaker. Who in this House can now say whether the Olympic Games will be held in Montreal in 1976? Who can state positively that they will be held as planned and at the date which has been set? No one can say so, no one can be certain. Why? Because certain union people can decide otherwise. If this is democracy, Mr. Speaker, where is all this leading? If this is respecting the rights of labour, where is all this leading?

Mr. Speaker, it is now time for us to truly take our responsibilities and to truly defend those who need it. Mr. Speaker, have you noticed that the conflicts which cause the most perturbations in our society are most often those which draw no sympathy from the population? To mention only one example, when the Montreal firemen decide to have a work stoppage, legal or not, since today no one cares whether they are legal or illegal, and ask $16,000 instead of $14,000 or $15,000, Mr. Speaker, who can sympathize with them? We understand the responsibility to fight fires, to protect homes and material, with one call a week or every two weeks, while the rest of the time is spent playing cards or dice, this is what it means to be a fireman.

Then how can they hope to gain the sympathy of the population when there are still small wage-earners who work from morning till night to earn the minimum wages and whose income will increase only because the provinces have now decided to raise the minimum wages. In my constituency, there are still small industries which pay minimum wages. If those were the people we have to defend, if those were the people who were asking for better wages, everyone would sympathize with them and, as the minister said, it is obvious that certain categories of manual workers, like the garbage collectors or those who

do the cleaning in the hospitals, deserve much more our consideration and, consequently, maybe a higher income.

● (1720)

We agree that those people need help to balance their income with regard to other trades or professions. But it is not in such cases that the disruptions ar worse. It is always in cases when workers are well-paid and do not ask for more. Usually it is a small group that stirs up trouble and under the pretext of some social revolution, wants to separate the working class from the worker's true objectives thus taking simply advantage of an extraordinary force that was obtained through the force of circumstances. And now I would like to make mine an editorial that appeared in the December 1974 issue of *Opinion Canada,* in which is stressed a point which, in my opinion, is very true:

Trade unionism has for a long time been viewed favourably by the public due to the fact that the workers were deemed to be the scapegoat of management and of big companies that often seemed to have the support of governments and of police forces to victimize them and reduce them to a state of helplessness.

And the editor goes on to say:

It was an illusion. On the contrary, history shows that in North America, successive liberal governments, in Washington as well as in Ottawa, have not sought to victimize trade unionism, but to promote it, by legislating in order to enable it to resist the assaults of all-powerful multinational organizations.

American and Canadian laws have widely contributed to give the unions the power they now enjoy. Power and a certain degree of immunity have made major labour organizations arrogant, and the increasing number of strikes in the last few years are a major factor in alienating public sympathy from the unions. In reply to a recent Gallup poll on the confidence Canadians have these days in labour unions and large corporations, only 10 per cent answered they had great confidence in the labour unions, and only 8 per cent in large corporations. Those figures reveal less confidence as compared with preceding polls; a similar decrease was also noted in the United States in recent years.

To go back to my quotation:

People are starting to get the impression that unions strategies, which in the past proved themselves in private enterprise, are become overbearing and indefensible when aimed at public services.

It would seem that the time has now come for governments to help the unions find new bagaining and negotiating formulas for the members assigned to those services.

Mr. Speaker, how true those specific points are. There were confirmed once again a fortnight ago by a survey conducted scientifically in Montreal which proved in addition that the vast majority of the people, and what is more, the vast majority of the union workers and specifically those of the QFL, are calling the shots in the field of construction in Quebec. Ninety-five per cent of those very workers replied that they were against the methods used in labour negotiations, in other words, that they were against their union leader. Not so long ago, on May 1st at the Paul Sauvé Centre in Montreal, one Mr. Laberge, president of the QFL was unable to address a crowd made up exclusively of union workers.

● (1730)

This indicates that labourers as such as well as the Canadian people in general want these things to end. We are here it seems to help the people through legislation, through example. This is why I think the government should never have had anything to do with these rights given to public servants.

Mr. Speaker, as my colleague from Kamouraska so well underlined, there are priorities which must be taken into account. Are we going to condone the exercise of a right when rights which are still more fundamental are at stake? No one will ever make me admit that the right to strike should be extended to firemen, for example, when the very day they did strike—and I refer to a specific incident which happened in Montreal, damage by fire ran into several million dollars. The strike of policemen is another illegal strike, in Montreal too, which resulted in disaster and crime. Terrible things happened at that time!

Mr. Speaker, I shall never tolerate that, bringing someone to hospital for emergency treatment, pickets decide whether the patient will be admitted or not. There are limits! We do not deny workers the right to unionize, to defend their interests, but we are absolutely against the social unrest that those rights could create. We do not want to do away with the right to strike, but as my colleague for Kamouraska said, we must try to adopt by legislation such effective means that the right to strike could become outdated.

Indeed, in 1975, it is completely unacceptable in our advanced society that we are still using old fashioned processes to solve a labour dispute, as it were impossible to hold meaningful negotiations. Mr. Speaker, people work backwards not even thinking about negotiations, about getting together in order that both parties, employer and employees, come to an agreement on a reasonable contract. No, they go on strike right away, no matter if it is an illegal strike! If they have to book sick to do so, no problem. That is the situation we are denouncing, because it upsets and disrupts the economy, as we know that in 1974, 9,255,120 man-days have been lost in this country. Where are we going now?

We can understand why the worker is demanding job security, that he is trying to oppose automation because we have not yet established a guaranteed minimum income plan to allow him to take advantage of the automation and not to be a victim of it. We have always stated that if machines take the place of men, the products of machines must be distributed to the workers. That is clear and those are the policies that should have been established.

However, Mr. Speaker, and I will conclude on this, what is the actual reason for all those disputes? Simply that employers and workers try to have a guaranteed income, they try to have more advantages, but it is impossible within the present system. Why? Because banks consider money as a commodity, an actual value, and this is not true because it is a relative value. They try to maintain money in great demand. And people need money as they need food products or any other product. That allows banks to increase their power and their control over the whole community. To that end, they tighten or ease credit so that prices grow faster than incomes. That is the basic issue, Mr. Speaker.

It is the basic economic problem, the real cause of labour-management conflicts. Workers and employers are fighting over an inadequate purchasing power. In such circumstances, it is impossible to find a satisfactory solu-

tion for all. Before considering a solution to the labour-management problem, we should relieve the artificial pressure exerted on the economy. When the purchasing power will have reached the production level, the present struggle to appropriate an inadequate money supply will have ceased.

That is the real reason. We realize that the workers seek a higher income and want job security, while the employer is trying to produce at a competitive cost. Such being the case, according to the motion, the government is to be blamed for being negligent, unconcerned and tolerant to such an extent that drastic measures are now required. The fact remains however that the government can be sure that steps in that direction will get the massive support of the people.

Mr. Speaker, coming back to the example given a moment ago, if the Olympic Games do not take place in Montreal in 1976 because a small QFL group has so resolved, you can be assured that any government that would end these absolutely equivocal, inadequate and inappropriate situations would receive tremendous support from the whole population, and that, without any mental reservation. This is what we must keep in mind and any government action should be oriented toward policies of this kind.

I am sure, Mr. Speaker, that this motion supported by different points will be well understood. We have spoken plainly because we want the members of parliament to grow aware of problems that are continually cropping up: longshoremen strikes, railway employees' strike, postal employees' strikes. And the minister said a moment ago that if the people do not want strikes, they have to bring about a change! But, Mr. Speaker, people have elected us to do this job. They have elected us to change what is wrong. Sometimes, people find it difficult to communicate in times of dispute. If there is a dispute in the Post Office Department, one cannot write to the minister. If there is a dispute in the telephone system, one cannot get in touch with the minister. As I said, all these strikes disrupt the social and economic life of our country. They have to come to an end and we hope that through this motion, all members of parliament will become fully conscious of the seriousness of the problem.

[*English*]

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I welcome the constructive tone of much of this debate, although it is true that in the speeches of the Social Credit members, and especially in that of the hon. member for Champlain (Mr. Matte), one does not sense a great sympathy for the aspirations of labour unions and members of labour unions.

It is also true that the hon. member for Cape Breton-East Richmond (Mr. Hogan) brought an unduly sharp note into today's proceedings with his parading of some doctrinaire nonsense about the economic policies of the government at the present time, alleging that the government is following restrictive policies similar to those which it followed in 1971. If the hon. member does not know, everyone else in the country knows that the government has been following an expansionary policy, and the general criticism is that the policy is so expansionary that it has been causing more inflation.

The hon. member for Cape Breton-East Richmond also spoke about the subject of inflation. I have no particular quarrel with what he said in relation to the effect of inflation on labour contracts, but he treated us to a collection of truisms in his lecture on economics. The fact of the matter is that the debate today is not on the subject of inflation but rather, given the existing degree of inflation, what should be the response in the area of labour relations, and I regret that the hon. member did not devote more of his time to that subject.

Nevertheless much of the debate has been constructive, and I think the hon. member for Vancouver South (Mr. Fraser) was right, for example, in pointing to the difficulties in the form of a legal settlement which was used in the Montreal longshoremen's strike, a form which led to an application to the court in proceedings analagous to those seeking an injunction. I think the decision of Chief Justice Deschênes in that case goes a long way toward establishing this procedure on firmer ground. I very much doubt whether we will have that kind of problem again. Nevertheless the means we choose to settle strikes, when parliament is occasionally called upon to intervene, must be kept under continual review.

● (1740)

I could not agree with the hon. member for Vancouver South on the reason for the address made recently in his home province by the Chief Justice of Canada. He suggested it was because of the lack of such statements by other people, members of the government in particular, that the Chief Justice had found it necessary to address himself to the subject.

The Minister of Labour (Mr. Munro) has many times, especially recently in the case of the Montreal longshoremen's strike, enunciated the supremacy of the law and his expectation that the longshoremen would return to work. The Minister of Supply and Services (Mr. Goyer) found himself in a small amount of hot water for so enthusiastically proclaiming the virtues of the law in the Montreal situation, but the court quite rightly exonerated him of any attempt to interfere in the judicial process. The fact is that the government has been very strong in its position on this subject. I think it is not fair, therefore, for the hon. member for Vancouver South to suggest that this was the motive of the Chief Justice; his motive obviously was that one more authoritative voice, especially the supreme judicial voice of the country, might well be of assistance in dealing with the mood of disrespect for the law that sometimes asserts itself in various parts of the country.

Despite the constructive aspects of this debate there is, nevertheless, an over reliance on law by many of those who spoke before me. I sometimes think that we ought to have a debate in this House on the limits of the law. Certainly there is no area of human endeavour in which the law must tread more softly than the area generally described as human relations. And hon. members realize, of course, that labour relations are a particular case in the field of human relations.

The hon. member for Vancouver South fell into this error of excess in a previous debate in this House on April

23. I am sorry to embarrass him in his presence, but I want to recall to him the words he uttered on that occasion. As reported at pages 5126-7 of *Hansard* for that date, the hon. member said:

If we are to bring in legislation four weeks after a strike affecting the national interest takes place, is it not more logical to anticipate such a strike before it takes place, to pass legislation and not allow it to happen in the first place?

An hon. member says we cannot do that because it would interfere with the right to strike. What can be more ridiculous than knowing you are going to do in the end but not doing it at first and allowing the situation to go on and on; and then, after the damage has been done, coming before the House and saying piously, "We have decided we cannot stand it any longer; we must act".

It is an undue reliance on law and an interference with the due process of collective bargaining to suggest that there should be general legislation which, in the first instance, before any labour stoppage had taken place, would say to the members of the unions, "You shall not exercise your free right to bargain collectively by going on strike."

The reason the government sometimes has to decide after a number of weeks or a number of days that the situation is such that it must be dealt with by way of legislation is not, as the hon. member for Vancouver South suggested in his previous address, that the government is moved by popular clamour; rather it is that at a certain point it becomes obvious the strike is not going to be settled by the process of free collective bargaining. When the government comes to that conclusion, then, and then only, is it possible for the government to take the position that it should interfere with the normal process.

The Finkelman report which is being considered by a committee of the House seems to many hon. members to take an approach which is unduly legislative and regulative in recommending the appointment of a public commissioner whose powers could easily have the effect of undermining the collective bargaining process with the risk of jeopardizing any chances for a real labour-management relationship. The recommendations in the report would also impose more severe penalties. It seems to me this is not the general solution to the kind of problems we are facing.

The resolution presented to us today by the Social Credit Party and as developed by their speakers, especially the hon. member for Champlain, is an extreme oversimplification of the effect that law can have in the area of labour relations.

Generally speaking, there is a movement today to what we might call decriminalization, a movement which in the area of criminal law realizes that many things which have previously been subjected to criminal penalties should be no longer so subjected; a movement which, in the recommendations of the law reform commission, would change the character of a number of regulatory offences so that they would be less criminal or not criminal at all; a movement which in the area of administrative law, particularly with regard to fair accommodation practices, has seen all provinces try to rely on conciliation methods rather than on the harsher methods of the law, except as a last resort.

Generally speaking most of us in the House have remarked that from their position on the omnibus Criminal Code bill, of 1969 and onward, members of the Social Credit Party have been unsympathetic to this whole contemporary movement, and it does not surprise us that they take the position that in the area of labour relations solutions are to be found through the law. The fact is that the Social Credit proposal if taken literally, especially the proposal to create labour tribunals to settle practically all matters normally subjected to collective bargaining, would destroy collective bargaining.

The situation in Canada is not as grim as is often supposed. It is generally said that some nine million man-days of time were lost in the last year through strikes, and that this is a larger number of days than was lost in the previous year. In fact, this is not a very exact test. Let me indicate what those nine million plus man-days represent. They represent some .46 per cent—less than half of 1 per cent—of total working time, and less time than is lost through accidents and sickness. In 1969 we lost exactly the same proportion of total working time; in 1970 it was .39 per cent; in 1971, .16 per cent; in 1972 .43 per cent, and in 1973, .30 per cent.

The figures go up and down from year to year but it should be noted that the number of man-days lost under federal jurisdiction in 1974 was not only very small, 323,000 days in total for the public service as well as areas under the jurisdiction of my minister, but this was a very considerable decrease from the number of man days lost in the previous year. If this were to be taken as a test, the Department of Labour obviously did a better job in 1974 than in 1973. I would suggest, however, that the Department of Labour had many other bases on which to base its reputation in its seventy-fifth year of service to Canada. The use of this kind of test would be an over-simplification. All you need is one long strike and you have a lot of man-days lost. For example, the higher number of man-days lost in 1974 is attributable to the large number of man-days lost in the forest industries of British Columbia which, incidentally, are not under federal jurisdiction. When something like this happens occasionally, the number of man-days lost is magnified.

● (1750)

Indeed, if we establish more industry-wide bargaining, as the government hopes, we might even have more man-days being lost, in the sense that when there is a work stoppage the number of man-days lost would be greater. Again, that is not the test which ought to be used. The test is whether the system, according to all criteria which can be applied to it, is working effectively.

We, on this side of the House, are not satisfied with how the system is operating.

The minister advanced a number of proposals, both today and previously, for solving some of the difficulties we face. His chief proposal was, of course, the establishment of the Canada Labour Relations Council, which has already begun its important work. In addition the minister wishes to encourage more ongoing bargaining so that the collective bargaining process does not begin merely when the collective agreement is completed; rather, he wishes to encourage closer relations between labour and management during the currency of the contract.

Indeed, as shown by the progressive steps the Postmaster General (Mr. Mackasey) has taken with respect to the concept of workers' management in the Post Office, the government in its own bailiwick is adopting the most contemporary and enlightened views on industrial democracy. That subject has caused even some members of the New Democratic Party, which has shown some understanding of labour matters, to become overly legalistic. It is one of the most cherished theses of the hon. member for Oshawa-Whitby (Mr. Broadbent), the House leader of that party, that industrial democracy should be legislated. I can only say that we should approach industrial democracy legislation with as much caution as we approach legislation having to do with all other areas of labour relations. In this area the government should give leadership and encouragement, but it should not attempt quickly to adopt any legislative formula which might be considered as an easy solution to our present problems.

I see that my time has almost expired. As I want as many hon. members as possible to participate in this debate, I shall say just a few more words in conclusion. In my view the law in this field should be as minimal as possible. The government should provide as much encouragement as possible in the field of labour relations. Labour relations, being really human relations, are a field in which the expression of human freedom is of paramount importance.

Those who know the history of the labour movement, of workers in this country and, indeed, of all western countries, know how sensitive workers are on the subject of legislation. Only comparatively recently have they attained the right to the collective bargaining system which they now enjoy. For more than a century the working classes of all countries struggled hard to become free of repressive laws. Those on this side of the House do not propose to subject them ever again to such laws.

Mr. Dinsdale: Mr. Speaker, as it is almost six o'clock, may I call it six o'clock?

Mr. Deputy Speaker: Does the House agree to call it six o'clock?

Some hon. Member: Agreed.

Mr. Deputy Speaker: Order, please. It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. MacGuigan: Mr. Speaker, I rise on a point of order. Discussions among those here at this time reveal that there might be a disposition to agree to a 15 minute limit on speeches for the rest of the evening to allow more members to take part in the debate.

The Acting Speaker (Mr. Penner): The House has heard the suggestion of the parliamentary secretary that speeches be limited to 15 minutes for the remainder of the evening. Is this agreed?

Some hon. Members: Agreed.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, the motion before us is a timely one, no doubt prompted by the growing labour unrest in the country and particularly recent events in the province of Quebec.

As I read the motion, the mover, the hon. member for Kamouraska (Mr. Dionne), indicates its content that he is hoping there will be some urgent government action to deal with the problem of growing labour unrest—in the province of Quebec, mainly because of the threat to the Olympic Games. We are faced with a situation there where, in order to keep the workers on the job, it has become necessary to introduce a police state with three levels of police supervising the construction site of the Olympic Games to exclude trouble makers. This indicates the degree to which labour relations have degenerated in this country. It is not something that has come about overnight. It is symptomatic of the general unrest in society which is a part of our industrialization and urbanization process.

In a recent speech the hon. member for Kingston and the Islands (Miss MacDonald) referred to our emphasis on material values that is creating a situation of rising expectations, which has resulted in the current stress in our society. All sorts of solutions have been put forward. The socialists look toward Utopian economic solutions. The communists have authoritarian solutions. The resolution before us, and this has been mentioned by several speakers, suggests that we might resolve the problem by legislative action. No one else agrees that that is the solution. While there is a commonly used phrase that says "there ought to be a law against it," I do not think that any legislative provisions can deal adequately with the deteriorating labour situation that confronts Canada at the present time.

There is a fundamental change in values, a breakdown in the traditional hierarchy system where wages used to be related to education, and also a decline in the work ethic. We have a situation where the working poor who stay on the job are in a worse position in terms of income than those who decide to take advantage of unemployment insurance. These are all symptoms of the degree to which the problem has developed in this country. It is aggravated by rampant inflation.

Just as an example of how inflationary expectations have become built into our economy, I was shopping in my constituency yesterday and I made a little purchase. There was one price of $5.50 and another price of $4.50 on the box. This is a very simple little souvenir, a letter opener, which is now selling for $5.50. When I asked the salesgirl, who was going to charge me the new price of $5.50, why the increase, she said the latest inventory indicated there should be an additional dollar increase. This product is distributed by one of the large companies in Canada which also manufactures beer. I do not know whether it is a head of barley or wheat in the handle, but it is an indication that inflationary psychology is rampant. It is a problem that must be dealt with if we are going to come to grips with the current labour unrest in this country.

Mr. Woolliams: Is the government to blame?

Mr. Dinsdale: The hon. member for Calgary North (Mr. Woolliams) asks if the government is to blame. Just look at the rapid rise in government expenditures and I think you will see where the main problem lies.

While the motion emphasizes legislative solutions I think we all agree that what is required is skill and sensitivity in human relations, along with goodwill and good faith which can only be produced by improved working conditions which help to relieve the monotony of the assembly line approach to modern industry, introducing repetitive monotony into the manufacturing process, and in particular a sense of community.

The government in its statements thus far today has adopted simplistic solutions. Always under pressure, the government feigns a flurry of action. As has been noted by previous speakers, there have been several announcements, as reported in today's *Globe and Mail*. One of the solutions is a labour council that will bring together the diverse groups in the bargaining process. The Parliamentary Secretary to the Minister of Labour (Mr. MacGuigan) pointed to this as a major breakthrough in dealing with the problem. Obviously it is hardly enough to scratch the surface.

One of the people who has been most critical to the government approach to the problem has been the Postmaster General (Mr. Mackasey). He has been locked in debate with the President of the Treasury Board (Mr. Chrétien), who has great responsibility in matters of labour relations in the public service. I quote from an article in The Ottawa *Journal* of October 11, 1974, by W. A. Wilson, as follows:

> The new President of Treasury Board, Jean Chrétien, has said firmly and publicly that the government should not be the best employer in the country. This is a somewhat old fashioned view which has respectable antecedents but which is probably much less generally accepted than it would have been 25 years ago.

● (2010)

> The new Postmaster General, Bryce Mackasey, facing the challenge of bringing to an end a long period of internal strife and deteriorating service in the Post Office is firm in his view that all things considered the government must be the country's best employer.
>
> "The government can hardly go around . . . telling private enterprise that they must be good employers if they're not the best employers themselves," Mackasey said in a recent television appearance. Chrétien's contrary view was expressed with equal firmness in a radio broadcast last weekend.

Here is a problem right in the bosom of the cabinet, and it will have to be resolved if we are to come to grips with the breakdown in the collective bargaining process in the public service. The situation at the moment is best described as an adversary system where the union leader becomes the organizer of discontent rather than one who helps bring about a consensus.

There has been a deterioration in the public service since 1967 partly because of the frustration created by the attitude of Treasury Board. I have several clippings from the *Globe and Mail* which relate to this aspect, and one of them is dated April 23, 1975. It reads:

> William Ladyman, a Winnipeg employee relations consultant, says the federal Treasury Board may create "absolute anarchy" in the public service if it continues to act as bargaining agent for the federal government.
>
> Mr. Ladyman, formerly an international vice-president of the International Brotherhood of Electrical Workers and now a consultant . . . says the Treasury Board's ineptness and "plain stupidity" have precipitated most recent strikes by various groups of federal employees.

Unfortunately we are now confronted with a situation where the attitude is "strike first and negotiate later". One of the reasons for our present difficulties may be that the system which has been applied to the public service was developed in the private sector and does not fit four square into the public sector. Those of us who have been active in the committee which is considering the Finkelman Report, for example, have discovered that there really is not a bargaining team which meets all the requirements of an adequate collective bargaining process. Management and labour do not, in fact, confront one another. Other weaknesses were discovered—failure to deal with grievances, failure to use the pay research bureau to establish comparable rates outside the service, an inability to deal with illegal strikes, and so on.

One of the witnesses who appeared before us was a representative of a public service union. He pointed out that most of the employees who go out on an illegal strike feel a deep sense of guilt if they are given a two-dollar parking ticket. Yet their attitude is such that they blithely go out on an illegal strike and seriously disrupt the economy in Canada. The only solution offered by the government so far has been to ask parliament to pass *ad hoc* back-to-work legislation—not a rewarding course to take in the long term. Obviously, though legislation is not the complete solution, the law will have to be brought up to date; present circumstances demand nothing less.

May I refer now to the Post Office and what is happening there. The Postmaster General has been recognized as one of the more progressive members of the government in the area I have outlined. The Post Office itself is one of the more visible arms of the public service. Unfortunately, it has been neglected for some 80 years.

Members of the Letter Carriers' Union voted 81 per cent to ratify the agreement which was reached with them a short while ago. It was a fair settlement. Let me quote from the *Courier*, the official news voice of the Letter Carriers' Union of Canada—this is the edition of March-April when they were getting set to strike:

> We will probably be in a legal strike position when this issue of the *Courier* reaches you. Several months ago each local received an L. C. U. C. strike manual explaining how to organize for this period. By now, your strike committee should be well organized, your picket captains appointed and your picket rosters brought up to date. All your strike machinery should be well oiled and ready to move if the employer forces us to use our strike mandate.

Well! Fortunately, it did not go in that direction because a spirit of goodwill and good faith was introduced into the negotiations, with the happy result I have mentioned.

Now the government is engaged in critical negotiations with the Union of Postal Workers. One of the fundamental issues is the issue of automation. This will be a real test of the government as represented by the Treasury Board, the postal officials and the Postmaster General, in bringing about the new spirit which is required if we are to see a happier situation in the collective bargaining process in the public service.

Ultimately good communications are the essence of good human relations. If each of the parties involved in the bargaining process knows what the other is trying to introduce into the discussions, if the parties talk to one another and listen to one another, if there is a positive attitude of goodwill and good faith, the success of any negotiations is far more likely. This is the only way in which we can overcome our present difficulties. If the work situation is unhappy, collective bargaining in a spirit of good faith is next to impossible.

Perhaps I can close by quoting one of the outstanding leaders in the field of labour relations in Canada, Senator Goldenberg, who said it was clear that the evolution of any new system must command support on a national basis. Just as international treaties do not prevent wars, we find that laws do not necessarily prevent strikes. There are problems in human nature which cannot be solved by law alone.

The dilemma outlined in the motion moved by the hon. member for Kamouraska can only be solved if the government accepts its responsibility by trying to encourage consensus rather than precipitating confrontation. This applies to the whole of the government from the Prime Minister (Mr. Trudeau) down, because the right hon. gentleman has been quoted as saying that one of his outstanding traits is that he swims against the stream—he is inclined not to accept accepted opinions. This is no way to establish a consensus, and I trust his colleagues will steer him in the right direction.

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, I am very pleased to participate in this debate and congratulate my good friend and colleague, the hon. member for Kamouraska (Mr. Dionne), on the motion he introduced this afternoon.

Mr. Speaker, it is an opposition motion that we wished to bring before the House for a long time. Today its importance and its urgency can no longer be ignored. For some time, we have noticed an increase in labour-management disputes in this country. Consequently, our party thought it advisable to draw this House's attention to some suggestions which we feel would result in more harmonious relations between management and labour, above all in fields where profit sharing can be applied.

Mr. Speaker, before coming to the heart of the matter, I want to say that as the time allotted to me is very limited, I shall restrict myself to one aspect of the motion, employee profit sharing, while also referring to the necessity of a labour participation in the development of Canadian business. But before considering this aspect of the motion, it would be appropriate, I think, to review the current situation.

Mr. Speaker, we all know that anybody who actually wants to work in Canada must first of all submit to a union, that is, join a union. In other words, he must pay monthly dues. In Quebec, it is called the Rand formula, but in fact they are union dues. We really believe that compulsory union freedom, established by the provincial legislatures in Canada, goes against the Canadian bill of rights. Therefore, it seems natural that the people are entitled to demand the abolishment of the compulsory check-offs; otherwise, it is clearly a serious breach of the worker's freedom of non-association and, in the end, the security of this country is greatly threatened by the power of union leaders.

We have no objection to workers being free to belong or not to unions. What we really want, is that they remain free. On the other hand, we oppose what is now happening. Because, in our view, when one feels compelled to pay dues to some union, although it does not fulfill one's objectives, this is highly similar to the franchise in communist countries.

If we are really intent on upholding private enterprise and on giving back their freedom to workers in the process, in order that the people be finally assured of having at all times the services they are entitled to, there must be an immediate end to the Rand formula of compulsory check-offs now in use in Quebec.

According to a Canadian Institute of Public Opinion survey published in *The Citizen*, of May 3rd, a majority of the people are in favour of a curtailment of strikes. Most Canadians, that is 56 per cent, wish that strikes be forbidden in essential services.

● (2020)

Approximately a third of the people, or 34 per cent, feel they should not be prevented, and 10 per cent have no opinion. Those figures are almost unchanged from a similar survey conducted in 1972, although our economy is faced with labour conflicts.

If I remember correctly, at that time some 57 per cent of the people felt that public service employees should not be allowed to strike. And further back in 1969, the figures were approximately the same.

Indeed, I read on March 5 in the *Montreal Star* that a survey by the Canadian Institute of Public Opinion indicated that 37 per cent of the people were severely hit by strikes in the three preceding months, either in their jobs or in their lives.

If we start with the fact that in Canada, there are now approximately 14 million adults, we can see that more than 5 million Canadians have had to reduce in some way their standard of living. Now, if we glance at the number of man-days lost because of strikes or lock-outs, we can see that Canada would hold first place for this doubtfull distinction in the western world if it were not for Italy.

This is not very reassuring if we consider that by the end of the present year, the economic rate of growth in Italy will probably have gone down by 3.9 per cent from 1973. In 1973, 5,776,140 man-days were lost, while in 1974, the grand total of man-days lost was 9,255,120 days. If we go further, from 1901 to 1970, an average of 1,332,740 man-days were lost. From 1946 to 1970, there was an average of 2,527,410 man-days lost, and from 1960 to 1970, the grand total was 3,351,490 man-days lost.

We can therefore note, Mr. Speaker, that these figures clearly show the dramatic increase in the number of man-days lost because of strikes or lock-outs. Despite the very high number of man-days lost in 1970, the average from 1901 to 1970 is just over one million. This is due to the fact the number of man-days lost during the last year is extremely high compared with that of the previous year.

In fact, this explains why the average is lower than the figure for 1970.

I recognize, Mr. Speaker, that in view of the contradictions of the present system, it is not easy to suggest solutions to the many problems of workers. Yet, we of the Social Credit have been advocating for many years serious solutions which could solve all this. Indeed, one of these solutions would be to allow Canadian workers to share in the profits and the interests of businesses.

Moreover, we also know that the monetary reform of the Social Credit, by permitting a fairer distribution through social security of our country's wealth, offers an alternative which is attractive for Canadians who want to protect their individuality. However, a reform of the monetary system will never bring about real social peace, that is true justice, if a few individuals continue to control all the means of production. In this case, society will always be at the mercy of the owners of those production means and the workers will still remain second-class citizens.

In fact, I believe that the only way a true social peace might be established is by setting up profit sharing programs for the Canadian workers. Therefore, the real solution is not in the sole ownership by the state, as required in a socialist system, but in a collective ownership.

Mr. Speaker, in 1889, at the International Convention on profit sharing which took place in France, profit sharing was defined in this way:

> A freely accepted agreement by which the employee receives a pre-established share of the profits.

At the same time, The Council of Profit Sharing Industries, in Chicago, has given the following definition:

> Any method by which an employer pays or makes available to his regular employees, besides their normal wages, immediate or differed payments based on the corporation profits.

Mr. Speaker, in the magazine *L'Action Nationale*, in the February 1972 issue, Father Jean Genest gave a remarkable analysis of the changing philosophy concerning the participation of the workers to the development and the profits of Canadian corporations. Here are some excerpts of that article:

> ... makes it a duty for those concerned: "sharing has become a human right. Every man is equally originator, responsible and recipient of the collective work. Every man therefore has the correlative right and duty to participate in that work. In that sense, participation must be considered in terms of right for those concerned and not in terms of duty for the management. Participation must even include a change with the structures of the undertaking. Those new structures must help initiate a dialogue. However, it must not give rise to the sharing of sovereignty." We could discuss at length whether such participation is a right of the labour force, but it remains that business heads on the whole have more often acted according to their interests rather than their duty. Today, we can no longer overlook the labour views. Their systematic refusal to take part in a certain management of the undertaking is often the main reason which has prompted the labour force and their unions to join socialism and in its extreme form of communism. Their unassumed social responsibilities, great and serious, lead us to a decade of violence and confusion. We must act.
>
> ... The second aspect of social development is the profit-sharing of workers. Profit-sharing is usually divided into three main forms:
>
> (1) an outright cash bonus as soon as profits are declared, according to a preset percentage; (2) a form of bond saving given out on the occasion of an illness, termination of work or on retirement; (3) the allocation of the firm's shares known as employee shareholding which has the merit of making employees legal owners of the firm as the other shareholders.
>
> These three forms of profit sharing have a very powerful psychological and social effect first of all through the interest sharing of the employees in the firm and the participation which makes the whole staff jointly responsible to one an other. Among these three forms, bonus, savings plan and shareholding, the latter two have held the greatest attention."

Mr. Speaker, this is not the only existing program concerning the profit sharing of employees. There is in the United States another program which is even better known and is advocated by Louis O. Kelso. Besides, the Kelso Plan can be summarized in a few words as follows.

Since Mr. Kelso recognizes that workers happen to put less and less energy into salaried production, mostly because machines and automation replace them, and after having easily observed how industrial concentration is going on, he came to wish that all workers were capitalists, while being provided with means of becoming shareholders in the companies employing them.

Moreover, Mr. Speaker, I should like to draw your attention to one of the suggestions contained in the Kelso Plan which reads as follows:

> Recognition by the government of the duty that falls upon it to ensure all members of society a reasonable participation in the production of wealth so as to enable them all to make a decent living.

One can easily imagine that everybody is looking for that, since all Canadians, whoever they are, want to receive an income which will permit them to live.

In a speech which the Minister of Labour (Mr. Munro) delivered at the Craig-Allen Golf Club, in Woodstock, Ontario, on May 8, 1974, we find the following statement:

> Worker participation is one of a number of areas which are of special concern to myself and my department. The others are job satisfaction, job security, the need to extend unionism, and the work environment.

Further on, we find this other statement:

> Unfortunately such programs of worker participation are still not too prevalent in Canada. Many more companies, in my opinion, should take an active interest in the areas of job enrichment as a starting point for more ambitious employee participation and even profit-sharing programs.

On the other hand, Mr. Speaker, we realize now that the government emphasizes work ethic. But does the same government pay any attention to the fact that automation could liberate mankind from work bondage? Quite the contrary, its main purpose is mainly to maintain this subservient attitude which modern society favours by all possible means.

● (2030)

[*English*]

The Acting Speaker (Mr. Penner): Order, please. I regret very much having to interrupt the hon. member, but his allotted time has now expired.

[*Translation*]

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I would also like to thank the hon. member for Kamouraska (Mr. Dionne) who has given us the opportunity to dwell a little longer on the matter of industrial relations as they exist now in Canada. Unfortunately, I cannot thank him further, because, as a result of his remarks, I think I totally disagree with him.

I would like, Mr. Speaker, to read again the motion presented by the hon. member for Kamouraska: on behalf of Social Credit Party of Canada:

That this House deplores the fact that the government has neglected to make legislative changes to remedy present problems at all levels of labour activity.

At the very start, Mr. Speaker, I would like to deal with a present-day problem to show that it is not necessarily the government which, by legislative action, will solve the problems which exist within the trade union movement.

I want to deal briefly with the problem of the Post Office in Montreal where two unions are presently negotiating. The first, the Letter Carriers' Union, accepted by 82 per cent the minister's offers. Workers voted very democratically under the union's constitution across the country for the employer's offers. Nobody was heard to complain that the Postmaster General (Mr. Mackasey) was anti-union.

There was also a problem in another union, the Postal Workers' Union, which started negotiations at the same time as the Letter Carriers' Union. No agreement has been reached yet on a single clause. Furthermore, they claim that the minister is against them, he who, after all, has made worthwhile offers accepted by 82 per cent of the letter carriers.

I think, Mr. Speaker, that the problem has nothing to do with the legislation, with the men who have to make the decisions. If we are a self-respecting society, it must also, with all the intermediaries involved, abide by the law, the gentlemen's agreements, the collective agreements signed for one, two or three years. I feel that the problem that exists, and I took the postal workers and the letter carriers as an example, in the final analysis, is a problem between individuals.

There are people, today, in the world of labour unions, who forget that one is a union member to work for the union movement and not to do politics or seek power. There is a notion, becoming ever more widespread amongst union leaders, that they are there, not necessarily to inform their members about their rightful claims, but merely to increase their membership and, as a result, their own personal power.

It is easy to find, in this day and age, people who like to imagine that, as president of a union that has 80,000 members across the land while the other fellow is president of 1,000 members, he has more power since he presides over 80,000 members.

Mr. Speaker, I have more respect for the president of a 1,000-member union, who sees to it that the collective agreement he signed is respected, who strives towards bettering the lot of the workers, who is completely concerned about the workers, instead of trying to trick or mislead them.

At the present time, an attempt is being made in Montreal, to bring the postal workers to reject negotiations that are being conducted in good faith by saying: We will not negotiate as long as those who have been suspended, or fired, are not reinstated.

How is it, Mr. Speaker, when those same people have agreed, for years, and within the scope of collective agreements, that a member who is not satisfied, an employee who does not agree with the decision of his employer, who with good reason to do so, should decide to file a grievance, or to go to arbitration? How is it that today, those same people who have been asking for these clauses in the collective agreements for several years, do not recognize even the principle to say, if the minister made mistakes by dismissing or laying off people, we will go before a labour tribunal.

I think the Postmaster General (Mr. Mackasey) made a very reasonable offer, which several leaders of local unions would have liked to hear from company presidents. Never in a hundred years did many company presidents refuse this formula. We have a Postmaster General who said: Okay, if you think my judgment is bad, if you think my representatives in Montreal made a bad judgment, if you think they made a bad decision, I am prepared to submit to arbitration the cases of the 18 or 20 persons who were dismissed or those of the 500 or 600 persons who were laid off for one or two days.

The minister said: We will go to arbitration if you want. How is it, Mr. Speaker, that these people reject the system which has served them for many years?

I think, Mr. Speaker, there are people at the head of the postal union in Montreal who are not there to lead their members astray or to help them. They are strictly there for political gain, I mean to play small petty politics within a union, to make a name for themselves and some day perhaps control a labour organization in Quebec. That is perhaps what the president of postal workers is trying to do in Montreal to the prejudice of the workers.

Mr. Speaker, I have heard hon. members in this House suggest that we should perhaps do away with the Rand formula. I do not agree entirely with that, because although some union presidents, Mr. Speaker, are somewhat dishonest in discharging their responsibilities, there are also corporation presidents and multinational companies that are unable to respect the people with whom they work, those people who earn them money during the whole year.

And I have in mind a situation I have been living for the past 17 months, a conflict at the United Aircraft, a company whose name no longer a profitable concern with the people, has been replaced by Pratt and Whitney. There are companies, Mr. Speaker, although their actions are perfectly legal on a moral standpoint they do not show the slightest respect for their employees.

Here is the president of a company who, after sober consideration, take the trouble to write to the federal Minister of Industry, Trade and Commerce, assuring him that, once the labour conflict at the United Aircraft is over, there will be a full expansion program and that he undertakes to re-hire everyone. We know what happened then. The Quebec Department of Labour asks for an investigation among those workers that are still on strike, and asks those the company is still interested in keeping to go back to work at United Aircraft. They are 976, out of a total of 2,600 at the beginning of the strike. After 16 months, 976 are left, saying: Yes, we want to go back to work for that company. From that, we must conclude that the company has won over the union, has managed to get everything it wanted and to crush the union as it wished

to do. The managers of the company are not afraid to say so.

● (2040)

After that, Mr. Speaker, the company makes an offer, and says: We are no longer ready to take these people back. We are ready to offer 250 jobs to these people. As for the other 700, we will see if we ever need them.

Mr. Speaker, I think it is very difficult to accept such a position from an employer. I feel that such a type of management leads much more surely to anarchy than the type of unionism practised in certain sectors throughout Canada. It is true that in some sectors, union leaders have proved lacking irresponsible. It is also true that some Canadian entreprises, or rather pseudo-Canadian enterprises that represent American interests in Canada, have made decisions that are contrary to Canadian traditions, contrary to the interests of Canadian employees as well as contrary to people living in Quebec.

That is what happened in the case of United Aircraft, that is what entailed violent incidents that I condemn in all respects. What I wish to prove here, is that exasperation or the way to negotiate with a union may incite individuals, or a small group of individuals, to abandon everything, to disobey legislation and make their own laws. I feel that in a society such as ours in Canada, such a situation is unacceptable. Such situations must not be tolerated in Canada, and must not be tolerated to any greater extent than any violence either by management or union.

Which leads me to say, Mr. Speaker, that when I witness people in Canada rise to their feet because American companies come here and say to us: Well, Gentlemen from the Montreal Locomotive Works, you shall not sell any trains to Cuba, I find such a situation unacceptable. When I see people rise in the House of Commons to say it is an awful thing for Americans to come and dictate to us why we should not sell anything to Cuba, I cannot agree with them. But I have yet to see people rise to say that it is awful for Americans to come and tell us what industrial relations we should use with regard to their companies in Canada.

Mr. Speaker, I feel that the present concept of industrial relations in Canada should be that such relations should not be dictated to us, either by Connecticut or by a foreign country. They should be established by our own people, here in Canada. We have enough experience to manage our unions and make our own decisions, which would result in much more harmonious relations.

I also heard several people who took part in this debate and wanted to disclaim being anti-labour. A lot was said about the Cliche Commission. Mr. Speaker, if there are bandits in one area of the labour movement, it does not mean that everyone in the labour movement is a bandit. If there are bandits within a government agency, if there are one or two troublemakers, it does not mean that everyone in there is a bandit. This calls for qualification. I think that what has happened in the Quebec construction industry might be the result of laisser-faire in that area, laisser-faire also on the part of those who were running the province of Quebec. It must also be borne in mind that what happened in the Quebec construction industry came under Bill 290, that provided the powers which exist now. It must also be borne in mind that it is under another legislation, Bill 9, that bargainings which were taking place illegally before were more or less legalized. So, when you do that, whether it is in a National Assembly or a Parliament, you contribute more or less to the erosion of authority. So, one should not indeed imagine that because one area was corrupted, as the construction area in the province of Quebec, the whole labour movement in Quebec is a corrupt system. It is not true and I think that those who so suggest are indeed quite short-sighted about what is happening within the labour movement.

There are many people, Mr. Speaker, who really work for the advancement of that cause, and if we had not had the labour movement in Quebec in particular, and in all of the rest of Canada, we would still be in the stone age in many areas. Fortunately, there were people who stood at the forefront of companies and established a system—just remember the years prior to 1960 in Quebec—because if there had not been people to fight for humanitarian ideas and also the respect of individuals who worked within these corporations, and if there had not been a labour movement in Quebec, I wonder where we would be now.

It is not because there is a gang of tramps, Mr. Speaker, who managed to invade a whole segment, that that segment must be condemned in its entirety. We must absolutely not try to embark in that system. Otherwise, we will also be condemned later.

I hear people say: We are in favour of strikes, in favour of this or that, in favour of unions and a lot of things, but when unions exercise their rights, we no longer agree with them. We should decide once and for all if we want to grant civil servants the right to strike. When they will go on strike, of course it will be a nuisance, because they will have a power which will enable them to tell their boss: "You better do something, or I will go on strike". That certainly harms some people. Some are deliberately unaware and publicly say, performing quite a political stunt: I am with the unions. Big deal! But as soon as a strike occurs, they stand back and say: I no longer agree.

We should be conscious of our own decisions and also of existing legislation. There is a number of things which will have to be revised.

The Minister of Labour (Mr. Munro) put forward some very constructive ideas this afternoon, and I believe the House should consider the measures he suggested. He mentioned a sort of tri-partite council in which the three parties would be led to have discussions on the future. He mentioned a bank of data to keep labour as well as management from being so obstinate. Who is right when one says that the inflation rate is 12 per cent and the other says it is 10 per cent? If we had a bank of data to show that the inflation rate is 15 per cent, everyone would be on an equal footing.

Union structures might also be taken into consideration. In the Post Office Department for instance, another union does not agree, they go on strike, and the whole problem starts anew. Maybe the unions should also review their own structures.

Labour Relations

Mr. Speaker, I realize that time passes—

● (2050)

[*English*]

The Acting Speaker (Mr. Penner): Order, please. I regret very much to interrupt the hon. member, but the time allotted to him has expired.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I think this is a most timely motion, and I cannot but agree with the preamble to it that there is a climate of instability and dissatisfaction for workers, and indeed for the whole work force at almost all levels.

With the Minister of Finance (Mr. Turner) and others suggestion that wage settlements have been so high that we have been pricing ourselves out of the market, the headline in the Ottawa *Journal* tonight is, "costs dim hopes for cheaper food", and an official of the grocery industry is quoted as saying:

"With settlements running in the 17-to-19-per-cent bracket with fringes and COLA clauses, we are rapidly pricing ourselves out of the business.

These are factors in food costs which will likely continue. I agree with much of this motion; it puts forward some interesting views on what might be done to get us out of some of our problems. But I am somewhat in disagreement with the second paragraph which suggests that certain union officials wield powers far exceeding their responsibilities. This may be so in selected areas, but if unions are properly organized and are responsible to their membership, surely this charge should not be levelled at all union leaders.

In the finance committee it was suggested to Mr. Smith of the Economic Council of Canada that some unions leaders exert influence far beyond what they should or what was reasonable, and his suggestion was that he did not think so, at least in the long run.

It seems to me that it is somewhat of a truism to say that if large unions in many cases have abnormal influence on our society, it is often the fault of the economic and social system which allows or necessitates a concentration of workers, so that union leaders of necessity have to wield their great powers, or are able to do so.

In the third paragraph of the preamble it states that there have been illegal strikes in the past. It is certainly true that work stoppages may sometimes paralyze the economy, but at other times they are necessary to create job improvements and conditions for employees, as well as to force management into more efficient practices which will still retain profitability for corporations in the interests of the dividend shareholders who, incidentally, more and more are becoming the collective workers with pension plans who own many shares in our corporations.

The social Credit motion has brought forward certain proposals which can be supported, at least to some extent, which I think would meet with general approval by all parties. I think it is significant that this motion was proposed by hon. members from Quebec because it is in that province where at the moment there is serious unrest in the labour movement and serious confrontation between the provincial government, corporation management, and union heads. Other parts of Canada may have their problems, such as the problem experienced in regard to the west coast grain handling stoppage which resulted in serious delays in grain exports at a time when the world's hungry needed our grain and Canada needed the foreign exchange earnings which the sale of grain would earn.

Many of us from the west do not understand the province of Quebec as well as do those from other parts of Canada, but what is happening in that province is cause for concern to all Canadians. No doubt all parts of the country will be faced with some of the problems already present in that province. There is good reason for serious unease right across the country about the confrontation in that province between union, management, and Premier Robert Bourassa. It seems likely that the labour movement in that province will shortly put up a common front and call for a series of illegal stoppages and strikes. As well as affecting the province of Quebec, this will certainly damage Canada's international reputation, particularly in the field of export trade. This is happening to some extent in the grain industry, and also with regard to the Olympics.

The Quebec premier in 1972 dealt with labour's common front by jailing union leaders for refusing to obey the back to work order of his government. It is to his credit that he appointed the Cliche Commission which investigated Quebec's construction industry. Mr. Cliche seems to have laid blame for corruption and lawbreaking indiscriminately and impartially on the unions, on government, and on management, but at the moment the premier has only clamped down on unions. He has made no move to clean up his own party's electoral machine, and he does not seem to have acted aggressively, against corruption in the civil service. It also seems that contractors to this date have escaped disciplinary measures which would have encouraged honesty among contracting companies.

In regard to the Quebec situation the *Financial Post* in an editorial had this to say:

Furthermore, those whom the government appoints as trustees to run the construction unions placed in trusteeship should be unquestionably identified as labour-oriented or they will be unable to maintain or gain the support or respect of the workers involved. Individual workers must be given greater assurance that, if they want to work when union leaders are pushing for illegal strike action, they and their families will not be victims of strong-arm tactics.

I believe that this indicates quite a serious concern to all legislators. Further evidence that an explosive confrontation in Quebec between the powerful labour movement and the provincial government will occur has been detailed in the *Financial Post* of May 24, by a correspondent writing from Quebec city. This correspondent, Mr. Rumball, pointed out that following the aftermath of the Cliche Royal Commission on the construction industry, which showed that that industry was extensively corrupt, Mr. Bourassa's government seems to have made a strategic error in its reaction to the recommendations of the commission. If the assessment of Mr. Rumball is reasonably correct, it certainly reminds us of the great problems involved in dealing with labour and settling strikes by the legislative process instead of by other methods.

The Quebec government seems to fail to attack all sources of corruption simultaneously, and so far it has only brought forward bills focussed on unions, placing

unions under trusteeship and barring certain criminals from holding union office. For us who are outside Quebec this seems to give an opportunity for the Quebec Federation of Labour to oppose the government. We are all familiar with and have heard and read what happened at the Pratt and Whitney plant where there was civil disobedience. In this movement by the Quebec Federation of Labour it seems significant that they have been supported by the CNTU and by the Quebec Teachers' Centre, which have brought with them 250,000 unionists.

● (2100)

Some of these problems that have come to the forefront in Canada's second largest province only point out the timeliness of this resolution.

In the broader labour field in Canada the announcement by the federal government of an industrial relations council of union, management and government will be welcomed. If it can find ways and means of reducing work stoppages, labour strife, and improving the work environment it may be of some value which certainly is more than can be said of many government boards.

I am not so sure that the appointment of the Minister of Labour (Mr. Munro) as chairman is a good one; not that I have anything against his abilities but I doubt that he should assume this position at this time because I believe the purpose of this body is to bring labour and management together. As I understand it, the unions are represented by the Canadian Labour Congress, and the spokesman for management is from the Canadian Manufacturers' Association.

If this board can develop some procedures whereby labour and management can settle their differences through the collective bargaining process, it may be of some help. Apparently the United States and the European countries have had such tripartite arrangements for a long time and even they have had their problems. If, as has been suggested in a speech by the Minister of Labour, this will clear away some of the legislative logjams that now hamper unions and employers from developing industry-wide bargaining, then this exercise may be of some help.

The Prime Minister (Mr. Trudeau) suggested last week in Montreal that the structure of collective bargaining in Canada has broken down, as indicated by the large number of strikes in Canada last year. There is not any doubt about the sorry state of industrial relations in Canada. This is manifested by the frequent refusal of union members to ratify agreements reached by their bargaining agents. This has seemingly become very widespread.

The Prime Minister and the Minister of Labour seem to feel they have the answer in some type of industry-wide bargaining. I should like to remind them that this industrial relations council has been established to bring forward solutions to problems. There may be some validity for this viewpoint, and certainly in the grain industry it may well be of considerable value. Last year we had the grain handlers strike, followed by the grain inspectors, and then the weighers and samplers, all of whom represented only 400 or 500 people in each group. They might well have been bargained for by one body.

The efforts of the Minister of Labour and of the Prime Minister to sell the idea of industry-wide bargaining when the government is in the midst of establishing this tripartite advisory council, suggests that they are usurping beforehand the council's duty to analyse industrial relations and establish new approaches. There are some serious difficulties with industry-wide bargaining, as has been pointed out by various people. Industry-wide bargaining has been most successful, as examples show, in Germany and Sweden, but I believe these are unitary states and do not have the federal system that we have. There are provincial governments in this country which prevent national bargaining among employees of mining and metallurgical companies.

It has been suggested that industry-wide bargaining might not promote as many strikes, but that strikes would be much larger and worse if they did occur than they are now. Presumably industry-wide bargaining means very large unions, with union management being far removed from the rank and file of their supporters. This is one of the complaints of ordinary union members, that they lose touch with their officials.

In the short time allocated, Madam Speaker, we can only have a preliminary discussion of the great problems involved—work stoppages, strikes, and walkouts which are a part of our free society. I believe the increase in the number and length of strikes is due to the financial immunity which workers now enjoy—they can strike and their families will not completely lose their income. In years gone by, in less affluent times, the grocery bill hung heavily over a family affected by a strike. Various welfare programs and unemployment insurance benefits for those who are put out of work without their unions being on strike have had an influence in slowing the settlement of labour disputes. Many families now have two wage earners and are not as compromised by a strike as was the case in years gone by.

Indeed, although the strikes in the grain handling industry were quite severe and serious, it seems as if Canada will be able to export all the grain it has on hand at the present time. That either indicates that the grain handling system is efficient for the volume of grain we have to sell, or that its capacity to export when alternatives are given is considerably above what has been estimated.

This debate is timely, I repeat, and I hope that reasonable solutions to our problems can be found. Certainly profit sharing is one area that can be looked at with favour. Anything that will improve worker identification with his firm and his job is to be commended. We can look with dismay at the confrontation shaping up in various parts of Canada, and hope that the differences can be resolved so that further confrontation will not take place in other parts of the country.

Mr. Paul E. McRae (Fort William): Madam Speaker, I welcome the opportunity to participate in this debate today for the purpose of attempting to offset the very common notion that labour is the principal cause of inflation; it is the scapegoat in this inflationary cycle.

I think we must look at the last three, four or five years of really heavy inflation. In 1973 the cause was the rapid

increase in food prices which was brought about by natural and other causes. It was a world-wide situation. In 1974 the major factor was oil prices which tripled and quadrupled in an artificial manner. Another cause was the very high profits in large sectors of the economy, particularly in what Galbraith would call the planning sector of the economy, the sector which can control its own prices through multinational corporations functioning on a world-wide basis.

I will not go into detail, but I think if we were to look at the curves on a graph showing the differences between wages and prices we would notice a considerable lag in the inflationary spiral, with the prices curve well ahead of the wages curve. I think this is extremely important now as we begin to see a decline in the inflation cycle which started four or five months ago. The figures released by Statistics Canada in the last 24 hours show that the wages of Canadian workers increased by 14.8 per cent from the end of February, 1974, to the end of February, 1975. The figures from the end of March, 1974, to the end of March, 1975, show a decline to 14.3 per cent.

● (2110)

One can see what has been happening. Prices, especially profits, have gone up quickly; this trend is now easing, and wages have risen, to catch up. That pattern is not unusual. What is unusual is the extent of the price rise and the extent by which wages had to rise to catch up. We should not blame labour for attempting to catch up with a price rise which began long ago.

I should like to deal briefly with two basic criticisms levelled against labour in this country. One is that Canada, next to Italy, loses more man-days of production than any other industrialized country; second, that wage settlements in Canada, which have been running at between 14 per cent and 16 per cent, have been higher than wage settlements in the United States, which have been running at 9 per cent. Let us examine the first objection. On careful examination, the figures do not appear to be as bad as one thinks at first. As well, there is a definite relationship between growth and wage settlement, particularly at the end of the cycle. In 1974 Canada, Italy and France—and Italy supposedly was in a worse position than we were—led western nations in growth.

Apparently there is some relationship between economic growth and the number of man-days lost through strikes. When demand for labour is strong, labour is scarce and can bargain effectively. It is apparent, also, that the recession in this country has not been as deep as the recession in other countries, particularly the United States. Italy, oddly enough, is now coming nicely out of its recession.

Exactly how many man-days, in percentage terms, were lost in 1974? According to figures available to me, .46 of 1 per cent of total working time was lost through strikes, or less than one half of 1 per cent. As the Parliamentary Secretary to the Minister of Labour (Mr. MacGuigan) indicated earlier, that is the same figure as applied in 1969. So, although the figure is high, it is not higher than that of previous years. Clearly there is little ground for the sort of frantic concern which suggests that our situation is desperate. It is not. The percentage of man-hours lost in 1974 is the same as the percentage in 1969, and I do not recall a great outcry in 1969. The performance of industries working under the federal labour code was considerably better in 1974 than it was last year.

As the parliamentary secretary said earlier, the number of man-days lost can vary considerably. It takes only one major strike averted in one industry to move this country from second to fifteenth on the list of countries which have lost man-days of work through strikes. I think we have over estimated this particular difficulty. We have every reason to be concerned about inflation but, as Peter Cook wrote in the *Financial Times* last month, Canada is coping with inflation more adequately than most European countries and Japan.

The second point at issue is that Canadian wage settlements have been much higher than comparable United States wage settlements, that our competitive position vis-à-vis the United States has worsened, and that we shall not be able to continue exporting at present rates. We are told that settlements in the United States, in round figures, have been running at slightly under 9 per cent, whereas settlements in Canada have been running at between 14 per cent and 17 per cent. Let us examine these allegations. I am told that one cannot make such simple comparisons between figures as other factors, such as fringe benefits, must also be considered. Don McGillivray, writing in the *Financial Times*, a publication not known for its pro-labour sympathies, has indicated that the real difference between settlements is not much more than 1 per cent.

One should remember, as well, that unit labour costs in Canada in 1974 were 82 per cent of similar unit labour costs in the United States. Clearly we have still retained our competitive advantage, an advantage we must be careful not to lose.

An hon. Member: But we are close to losing it.

Mr. McRae: Also, while it is true that our economy depends to a great extent on exports, we have been able to maintain effective demand within the economy. Reasonable wage increases tend to support the strength of effective demand. We must be careful not to bandy figures around loosely, not to create a sombre mood, because conditions are not nearly as serious as some have tried to indicate.

I now wish to deal with something which the NDP House leader often mentions in the House, namely, that wage settlements in percentage terms are unfair. I submit that the government, including Crown corporations, and industry should examine the whole question of percentage settlements.

Consider what happened when the railway engineers walked out in January. They wanted a wage increase, which they thought should be awarded in January and not in April. I am told the amount suggested was about $3,000. The point is that many railroaders were given a 15 per cent increase in January. That increase in many cases did not amount to more than $1,000 or $1,100. People earning various kinds of income work in the field of transportation, and a 15 per cent increase for someone at the top of the railroad industry may be very substantial, but it does not represent very much for someone earning $6,000, $7,000 or $8,000. That is why I was so pleased to note that Mr.

Justice Emmet Hall recommended an across the board increase for railway workers. I think it represented about 47 cents an hour for everybody across the board. That was a move in the right direction.

Personally, I favour across the board increases. At present they are not being granted in the public service, in which there is a substantial spread between money increases granted to those at the top and to those at the bottom of the scale. At present those at the bottom should get more, because they must endure increasing hardships. If the rate of inflation is 11 per cent and a wage increase of 15 per cent is granted, you must remember that, in real dollar terms, that 15 per cent represents considerably more money to a man earning $20,000 than it does to a man earning $7,000. I submit that the Treasury Board should consider this matter very seriously.

I shall conclude by making some observations about the Post Office. I support strongly what the Postmaster General (Mr. Mackasey) is trying to do. He is trying to come to grips with a difficult situation. I realize that the question of postal service in Montreal is a difficult one, but I am 100 per cent behind him in what he is trying to do. I think he is making a magnificent effort.

● (2120)

There is one problem I would like to see looked at by those people running the Post Office, those running Treasury Board, and by the Postmaster General. That is the whole matter of grievance procedure and how postal employees and postal management at the local level get together to solve their problems. We have a ridiculous situation where a grievance filed in the Post Office can take three months to a year to be dealt with fully. It is dealt with at the local office where the manager who took the action in the first place handles the grievance. It is then moved to the second, third or fourth level, and it hangs around for a year.

There is a case in the Thunder Bay post office which involved employees threatening to walk out for a day. A year later it was brought back in the same form, and the trouble started again. The way to handle problems of this kind is to do it locally and rapidly. There should be in the public service throughout the country local committees of management and employees. In the beginning there should be neutral people. This system works in industry where management will chair for one month and the employees for another. I am talking about a new setup for the Post Office. An outsider will probably be required as chairman in the beginning.

Grievances, and other things that should not come up when bargaining starts over wages, are there because they have been allowed to get under people's skins. These people are irritated. Bargaining is difficult because there are all these irritants to start with. They should be solved in the local community by a committee of management and employees, and perhaps with some outside help. I know the Postmaster General, who is very interested in this, will keep this in mind when establishing new patterns for the Post Office once the present mess has been straightened out.

I wish to conclude by suggesting that we should not become panicky. Collective bargaining as it has evolved in North America over the past 100 years was and is a good tool. Some people say we should have compulsory arbitration, but that does not work all that well. It does not work well in Australia. They have many minor or short strikes, and the days lost are very significant.

Collective bargaining is good. It can be improved. I have suggested one way of improving it. Grievance procedures and local problems should be handled at the local level. That is a system that works in industry and will work in the Public Service.

We have had a very serious inflationary cycle. It started with food, went on to petroleum, and was increased by the planning sector of our economy. Wages are now levelling off in the same way that inflation levelled off earlier. We should allow the collective bargaining system to continue. The culprit is not labour. It is the whole cross-section of our economy.

Mr. Stuart Leggatt (New Westminster): Madam Speaker, I would first like to say how pleased I was listening to the hon. member for Fort William (Mr. McRae) attack some of the myths that have been created in the past two years concerning the causes of inflation. I understand the Minister of Labour (Mr. Munro) also dealt with that this afternoon. I am sorry this is not a motion on which we will vote so that these fine labour defending speeches could be reflected in the votes of our friends in the government.

I am impressed with the sympathy shown to labour by some of the speakers from government benches. I wait in patience and expectation for the June 23 budget when we will see whether the provisions of the budget reflect the sentiments expressed here today by some of the members on the government benches. I hope before that budget comes down that the Minister of Labour and others who have made these very sympathetic speeches toward labour will have some impact on the Minister of Finance (Mr. Turner). However, I must say that I am pessimistic. I am quite skeptical that the kind of budget we will see on June 23 will be one that those who work in this country will not like all that much. Nevertheless, it is just a prediction. We live in hope, and we hope for the best, but I am a bit pessimistic.

Dealing with the motion, I agree with those speakers who have said that it is timely. The preamble reads:

> That this House deplores the fact that the government has neglected to make legislative changes to remedy present problems at all levels of labour activity.

It is inherent in that preamble that the problems we now face are labour problems. The problems we face are society's problems. They are not at labour's door. The inference contained in this motion is wrong and unfair.

I suggest to those who presented the motion that if they travel to places like Mexico or the Bahamas they will not find any labour people. They will find a lot of doctors, middle management and so on, who have done well in this society over the past ten years. However, this society is under a strain for the very reason that those who labour have done nothing more in the last year than keep pace with inflation. In fact the industrial wage index was about 11 per cent, exactly the rate of inflation over the past year. They are as entitled to share in the productivity gains in this society as anyone else. Therefore, I am sincere when I

say how pleased I was to hear so many speakers in this House today attempt to redress what I think is a media myth that is becoming prevalent in this country, namely, that of laying all of our ills in terms of inflation at labour's door.

Another portion of the motion that bothers me is the following:

—the toleration of a system which allows certain union figures to wield powers exceeding their responsibilities.

I am not sure what that means. However, if it suggests there is a large number of union leaders who are wielding powers exceeding their responsibilities, the facts belie it. In fact most of the settlements that have been rejected were rejected by the membership. It is the membership that is unsatisfied with its share of the national income and the national economy. We must be sensitive to the problems of the rank and file of the trade union movement who very often reject the recommendations of their own executive.

We must remember that those who go on strike never make the decision lightly. They may get $20 a week in strike pay. I heard someone saying the amount they have to pay for food is not as significant as it used to be. If you are on a union scale receiving $20 a week, have house payments to meet and children to feed, it is a very serious decision you have to make to go on strike. It is never done lightly.

When workers go on strike as much as they have in the past year, we should take a careful look at our society. The phrase "industrial democracy" is thrown around from time to time. It seems to be a pretty useful phrase, one which we should consider in a very serious way. I am pleased to see the Postmaster General (Mr. Mackasey) in the House because I wish to quote something he said on May 14 to the Canadian Direct Mail Association, as follows:

● (2130)

Production, production—that's management's real concern. We see employee behaviour as something that hurts or helps production. The employees know this, they know that management's real concern is the system—all this industrial democracy jazz is a ploy to goose up production. They are not stupid, they know when concern is phoney.

Our attitude goes back to the robber barons. They believed absolutely in their right to limitless power. As John D. Rockefeller said, "God gave me my money".

The rationalization is bankrupt today but our goal has merely broadened. Instead of personal wealth, it's national wealth. We genuflect to the growth of the GNP. Our basic relationship isn't to man, it is to things. And so we don't design machines for man's needs, just for efficiency. We don't organize work with man in mind, just the product. We treat labour more humanely than we did in 1867 when Karl Marx outlined what he called "the irreconcilable opposition of capital and labour", but our attitude hasn't really changed, labour is still a commodity. The system doesn't exist for man, man exists to serve the system.

That is a most penetrating critique of the kind of society we live in today. I live in hope that the Postmaster General in the discharge of his responsibility will attempt to apply some of that philosophy to those who work in the postal service.

The discussion concerning industrial democracy is one which I hope will find its place at the bargaining table and lead to meaningful, practical clauses in the collective agreements under which workers will be asked on a regular basis to engage actively in the management and provision of whatever service is concerned—and in the Post Office it is the delivery of mail and associated services. The sickness that exists in the Post Office is not only the result of a lack of involvement in managerial decisions; it comes from the dehumanizing nature of the job itself.

My father worked in the Post Office in New Westminster for 36 years. He was proud of the fact that he worked for the Post Office. He had memorized almost all the routes. There was some challenge attached to the work, and doing a good job gave him satisfaction. But there is a difference now.

Workers are too often asked to do things which are so routine, so dull, so soul-destroying that they attack the machine which they sense is destroying them as persons. This thought has been well expressed by the Postmaster General and I commend him for his very human approach to the problem. It is one which is developing not only in the postal service but in industry throughout the western world. It is a new world, a new system and I believe that until we recognize the frustration generated by this system we shall not be able to solve the problems which arise. Throwing blame around makes no contribution to industrial peace.

If we examine the societies which have experienced least industrial unrest over the years we find that where the feeling of the common good, the social contract, if you like, is most accepted, there has been least social disruption. We can get to that point if we carry out significant experiments in industrial democracy, through profit sharing, through moving away from the old idea that bargaining is strictly a poker game. I believe there is need for full disclosure. I am tired of the two sides in a labour dispute playing games with each other. It should be required that the management side fully reveal its cost and profit picture, and similarly it should be incumbent upon the representatives of labour to make full disclosure.

Labour intransigence is not always the problem. Remember the grain handlers strike last fall. It was the companies, not the union, which refused to accept the conciliation report of Dr. Perry. To give another example, the asbestos workers are presently on strike at Thetford. What are they striking for? They are striking for the right to monitor dust levels so that they do not die as a result of the effects of asbestos on the lungs. Mr. Speaker, I wonder how long it would take this House to pass legislation to control asbestos pollution if we faced high asbestos levels as we talked in here every day, and people told us that one out of every five of us would die from cancer of the lungs.

The question of time lost because of strikes has been dealt with by many speakers today. It does not amount to as much as time lost through lay-offs, or time lost through illness. But when it comes to developing a consensus we still have to ask ourselves serious questions about the kind of society in which we live. Alienation in the work world is developing in line with a society which tells us that if we compete with each other to the utmost of our ability we shall lead a successful life. This philosophy also leads to urbain crime, drug abuse, and the waste of our resources. It is a system which assumes that competition is the basic instinct of man and is in itself a desirable thing.

I do not believe we need this kind of system in the last half of the present century. It is likely to lead us to a degree of waste and destruction in the western world which, to my mind, is awesome.

The interests of management and labour may at this point be different, or appear to be different, but in the future I believe those interests may, in fact, be the same. In other words, as the pie gets larger and larger we shall find that other important public interests are being eroded. There is the environment to consider, the whole question of the style and quality of our lives. The time will come when we realize that we must finally manage the system and reach what is now called a steady state economy so that we can rationalize competitiveness within the system, and in this way eliminate the fantastic social strains we see all around us and reduce the urban disease which is spreading beyond our cities into the country. This is a system which can only be administered properly within an egalitarian and socialist philosophy.

The Acting Speaker (Mrs. Morin): Order. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. J. Larry Condon (Middlesex-London-Lambton): It is certainly a pleasure to hear the NDP view on labour, Madam Speaker. We all know that they are solid supporters of labour except at election time when very few labour speakers are on their platforms. Their platforms usually consist of doctors, lawyers or social workers, and I notice that following the last election there are in the caucus of that party at the present time just two of 15 who are labour oriented.

● (2140)

Some of the views expressed today cause me to wonder what are the views of the people of Canada. We are all aware that only one third of the working force in Canada belong to a labour union. To make this point I should like to read part of a letter I received from one of my constituents that illustrates how people who are not in a labour union feel when they get a little older:

> While you are in Ottawa try and do something for the salaried personnel that have no union or anyone that will assist in obtaining a living wage.
>
> We are in the position of being just over the minimum wage scale but far from the range required to maintain a proper standard of living. Due to my age being 63 I am helpless to obtain a salary that is anywhere near today's standard; we are told "If you don't like it, quit."

I just wonder whether the people of Canada realize the problems facing not only the labour unions but the white collar workers, who seem to be forgotten in these days of so-called unrest. Why is there labour unrest today? Perhaps we should look back a little over the years. This constituent of mine, salaried, obviously underpaid, at 63 years of age after some 35 years in the business is told that if he does not like it, quit.

What about the employers' obligation to those people who work for them? I refer not only to members of unions but to workers who do not belong to any union. Is money what the unions really want? Surveys that have been made indicate that the first choice of a worker is not money but the opportunity to work in an environment he is happy in, one where his boss will say hello to him in the morning and give him an opportunity to be part of a team.

It seems to me that the only time management talks to labour is at the bargaining table. Do hon. members remember the days before the labour unions became as strong as they are now, when the bosses came round and talked to the workers? In my lifetime I can remember when they would say to a worker who was doing his job, "You are doing a good job, Charlie". Or: "How's the family?", or "How's the kids?", or "How's the wife?" The fact that this is no longer said may be one reason for present labour strife; it has nothing to do with money, as some people say.

Mr. Towers: It is because we have a Liberal government, Larry.

Mr. Condon: Well, Madam Speaker, I feel happy that someone has taken a shot at me, I appreciate that. Perhaps some of these remarks are coming home to people who run businesses. The obligation of management has for too long been forgotten. The unions get blamed for everything. According to headlines you see in the press every day, the unions are running the country. All hon. members get letters from people who are not knowledgeable enough to realize that more than labour is running the country; it has to be a combination of labour, management and government.

Every time some difficulty crops up in Canada, or for that matter in North America or even in Europe, the government gets involved. Why cannot labour problems be settled at the bargaining table where they are supposed to be settled? Honest bargaining, with the realization of the needs of management and the needs of labour, is what we need.

Much has been said today about the strike of the postal workers and the problems facing the Postmaster General (Mr. Mackasey), indeed facing all of us. I heard a gentleman on television tonight who is a postal letter carrier. He has been working for the Post Office department since 1968, and he has been off work one day since that time. He explained on television tonight how the letter carriers were the most important postal workers because they realize their obligations. Perhaps somebody in the postal department in middle management had passed the time of day with him and said, "Jack, you are doing a good job". Or perhaps the lady down the street had said: "Boy, my mail is always on time, even when it rains, because I depend on my pension cheque and on letters from my children overseas". This is the kind of worker running the postal service, and we meet them every day.

Only a small percentage of postal workers are creating problems for the Post Office department. Ninety-five per cent of the workers are there working for us every day, but the remaining 5 per cent try to stir things up and make them all look bad, especially the hard workers.

Some labour unions are not really unions. Some years ago my brother, who is a school teacher, used to comment on the way the unions ran the country. Now after 15 years he is a member of a union. It is not called a union but an association. People today are now complaining about school teachers. Why did the school teachers have to get together? It was because the school boards could not sit down with them and talk to them on a man to man basis.

As I say, this is partly the reason for labour trouble today, a failure by labour and management to communicate with each other on a man to man basis.

I realize another hon. member wishes to speak, Madam Speaker, so I shall conclude on this note. In this great country of ours we must realize that we have so much going for us. Our country is strong and proud, and this fact alone will make us even stronger. No country became great without facing many problems. We are one of the few countries of the world that got our flag from parliament; many others had to bleed for it. I say to the members of this House, thank God that we only have postal and other labour problems in this country today, and have not had to shed blood in order to stand under our flag.

[*Translation*]

Mr. André Fortin (Lotbinière): Madam Speaker, I am quite pleased to take part in this debate launched by my colleague for Kamouraska (Mr. Dionne) who is a distinguished unionist well sensitized to the problems of workers who are now facing troubled times not only in Quebec but throughout Canada.

Needless to add, Madam Speaker, in the short time allowed to me that more than 3,351,390 man-days on average have been lost each year between 1960 and 1970 as a result of various strikes. Needless to add either that in several cases, the strike is not only legal but often justified, that is the workers have the right to strike and they are urged to do so. One only has to think, for example, of a strike which is now affecting my constituents in the furniture industry where, after 27 years of employment in the same dusty plant, even though they are practically artists, some cabinet makers or furniture finishers still earn $2.60 per hour, which is the new minimum wage in Quebec.

● (2150)

Generally speaking, one can say that in most cases, workers are peaceful people who want to better their lot, who do not want to break anything nor restrict the rights of others in our society. Unfortunately, these people are manipulated, lead by union leaders, who often abuse their power, their prestige, their title, compel workers by restricting their freedom and leading them to actions that everyone regrets in the end.

I do not refer necessarily to acts of violence, since these are exceptional. But when a strike has lasted two, three or four months in some sectors, how long will it take for the workers who were to be given help through the strike, because the strike weapon has been invented to defend the workers' rights in extreme circumstances, how long will it be before they return to normal conditions? Finally, the strike is not a peaceful means. It is an extreme means, once all other avenues have been unsuccessfully explored.

As my colleague from Kamouraska (Mr. Dionne) very rightly said, today, under the influence of union leaders, workers go on strike first and then, having demonstrated their strength, they go on to bargaining. While logic and common sense dictate that everything possible must be done to negotiate, if that does not succeed, legal mechanisms provide this extreme solution, the strike. Why do I say it is extreme? Because rarely does the worker, whatever increase he gained through this pressure action, recoup the amounts he lost during the strike.

That shows, Madam Speaker, that the main problem facing our society is not necessarily the strike mechanism, but rather the bargaining process that is defective. Indeed, everyone can strike in any circumstances. Today we have rotating, legal, wildcat, vertical, horizontal and all kinds of strikes. But what we fail to develop is our bargaining process which must precede any collective or common action called a strike. That is why my colleagues and I are for the right to strike. Because association is a human right, we cannot in any event deny that right derived from the right to associate and which is the counterpart of that of the employer. The motion we proposed today seeks especially to improve the bargaining process since it is at that exact level that the main problem lies.

For instance, to say that after two or four months negotiations have still not been held between employer and employee is ridiculous and the worker is always the victim. On a limited striking fund, he goes on strike and there are no negotiations. Finally, Madam Speaker, even this last resort means of protecting the worker's right works against him because he must bear the financial consequences. If we add abuse to that situation, on the one hand from union leaders who generally are associated with politicians—and here I have in mind the Parliament of Quebec which uses such gimmicks that there is no longer any form of union freedom—then the problem takes extreme proportions. Anyway, Madam Speaker, those union leaders who abuse their influence, call for violence, and rebellion against those in power are finally exploiting workers to create an unofficial government and challenge the very real strength of democracy invested in the duly elected representatives, so that we wake up in a state of permanent turmoil, of constant distrust, and God knows where we will end up. When faced with such situations of extreme abuses, Parliaments—and this one is no exception—are forced to step in often in turn in an extreme and abusive way, supposedly under the legitimate pretext of preserving the common interest. That is why this Parliament, including myself, has adopted special legislation to settle so-called exceptional situations. All of this, because the parties involved probably refused to bargain in respect, honesty, good will and good faith. This, however, as suggested by my colleague the hon. member for Kamouraska (Mr. Dionne), is probably due to the fact that our labour legislation, including our Canadian Labour Code, is outdated.

Madam Speaker, as this debate is coming to an end, I take the liberty of asking this question. Why are all Canadians and hon. members so anxious to streamline our democratic institutions, improve the financing of political parties, modernize and adapt all our legislation? There is no exception to this rule, whether it be in the fields of communications, culture, economy, finance, income tax—hon. members will readily remember the thorough tax reform that was adopted by the House.

Yet, for more than 25 years, only one area has not been updated, has not been improved, has not been adapted, and it is our Canadian Labour Code. It is the only area we are not really looking into in order to adapt our negotiation

and our arbitration methods to the modern conflicts which have modern causes, like automation.

I see the Postmaster General (Mr. Mackasey) who is present and who is showing remarkable leadership in dealing with a conflict in postal services. Well, Madam Speaker, this proves once again that the minister's only way out is the recourse to the oldish grievance procedure which takes—and on this the union leaders are right—tremendous time. So, the postal workers have no other choice but to resort to violence and to voluntary exclude themselves from the democratic process, because they no longer believe in it, because it is outdated, because it takes too much time.

Madam Speaker, today we have moved this motion, which I find positive, and have asked our colleague from Kamouraska to do so because he knows this field. It is precisely to make Parliament fully aware of the situation of conflict we are constantly experiencing from sea to sea. I want to point out to my colleagues from the other provinces that those conflicts are not restricted to Quebec alone. It is imperative that we should notice it, and take this opportunity today to think positively and try to convince the minister that the act should be brought up to date in its widest sense that it might adapt to our modern times.

Madam Speaker, this is extremely important. Electronic automation is replacing man increasingly. More and more thought is being given to reducing work hours, to improving work conditions, to reducing the work week, precisely because the machine is replacing man.

In a second stage, after having modernized our negotiating institutions, we will inevitably have to tackle our social security system to guarantee an income to our workers who will have been replaced by the machine.

Madam Speaker, will we wait for the ridiculous situation where union leaders will ask to throw out the machines under the pretext of guaranteeing the worker job security?

How ridiculous for us to have reached that point! It proves that the source of the evil, for the workers, is the lack of income or income security, and not so much job security.

That is why, Madam Speaker, we are happy not only to have raised this debate but also to have heard useful comments from both sides of the House. This is the third time that we have launched such a debate in the House to speak of the sharing of employees in company benefits and to speak of unemployment, which is particularly acute among our young people who really wish to get satisfaction out of their work.

Contrary to many of our predecessors, Madam Speaker, this is our third attempt at raising the issue. We shall try and do so again later, but we are quite happy with today's reaction to the motion, hoping that it will contribute to the rallying of goodwill in Parliament as well as in the country, so that finally, all Canadians will unite to build their country and stop holding records for more man-days on strike than at work. Madam Speaker, when we have such a high unemployment rate in a country of our size with such a small population, we cannot allow ourselves, in a state of economic crisis such as the one we are now facing, to play the game of union leaders who abuse their powers or the game of some politicians who dream up gimmicks with union leaders.

That is why I feel the federal government should show leadership in this field.

The Acting Speaker (Mrs. Morin): Order. It being 10 o'clock, I must point out to the House that under—

Mr. Olivier: I should like to rise on a point of order, Madam Speaker, before you call it 10 o'clock.

The Acting Speaker (Mrs. Morin): The member for Longueuil (Mr. Olivier) wishes to make a point of order.

Mr. Olivier: This may be a minor detail, Madam Speaker, but to my right it is 10:02, 10:05 in front of me and 10:01 behind me. Perhaps somebody should look into it some day.

The Acting Speaker (Mrs. Morin): This matter has been raised in the past.

Mr. Fortin: I rise on a point of order, Madam Speaker.

● (2200)

The Acting Speaker (Mrs. Morin): The hon. member for Lotbinière (Mr. Fortin) on a point of order.

Mr. Fortin: I wish to thank the hon. member for Longueuil for keeping a close watch on time, probably because of his great interest in what the Social Credit members were saying. I thank him.

The Acting Speaker (Mrs. Morin): It being ten o'clock, it is my duty to inform the House that, pursuant to Standing Order 58(11), the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ENVIRONMENTAL AFFAIRS—REASON FOR FAILURE TO ADOPT STANDARDS FOR ASBESTOS FIBRES UNDER CLEAN AIR ACT—POSSIBLE PROTEST FROM UNITED STATES

Mr. Stuart Leggatt (New Westminster): Madam Speaker, on March 20 this year I asked a question of the Minister of the Environment (Mrs. Sauvé) which dealt with the problems relating to asbestos in this country. There are really two aspects to the question.

I asked first why the minister has not brought in regulations concerning asbestos under the Clean Air Act so we can have a national environmental standard in an effort to help to overcome the problem at Thetford Mines. I could also mention Cassiar Mines in British Columbia, Clinton

Mines in the Yukon, and so on. The following is the answer in part given by the minister:

> We are now looking into the asbestos question, and when we get together to regulate those standards the provinces, using their authority, will implement them.

With the greatest respect, it is my understanding that the minister under the Clean Air Act has jurisdiction to impose ambient air standards; that is, standards for the air outside enclosures. I suggest that she does not have to regulate in this regard through the provinces. She may have to consult with the provinces, but she does not have to wait for the provinces to take action. There is a consultation procedure, but the minister does have the jurisdiction to solve this very serious problem in the outer air.

This is a problem which we cannot treat lightly. I should like to read from some recent information. I shall quote from the Montreal *Gazette* of May 20, 1975. The headline is "Industry, doctors accused of cover-up in asbestos peril". It reads:

> Brodeur, a New Yorker magazine writer and author of two books on lung diseases affecting asbestos workers, defined the 'medical-industrial complex' as an 'entrenched group of doctors working for industry and government'.

The article continues:

> Brodeur said he has found it peculiar that, as far back as 1917, virtually all Canadian and American insurance companies were refusing to insure asbestos workers.

That was back in 1917. It has taken the medical profession, the government, and industry another 50 years to discover the danger of working in asbestos mines. I suggest this is really a national scandal that has gone on in respect of the asbestos mines.

Again I should like to quote from this article in the Montreal *Gazette*:

> According to Brodeur, statistics have shown one in five workers exposed to asbestos dust particles dies of cancer or asbestosis.

There are also severe risks related to asbestos for those who work in the railroad industry. I should like to quote now from an article by Dr. Thomas F. Mancuso, an IAM medical consultant: He says:

> The old time railroad machinists from every section of the country have independently described the asbestos dust exposure which centers on the steam locomotives; the use of asbestos to cover the steam boilers of the engines, ever since the steam engine and the railroad began. The pattern of work exposures and procedures were similar in all railroad shops in the country.

This is not something new. This is something which has been going on for many years, and yet governments have fallen fast asleep in regard to protecting workers from death by cancer simply because of the old productive wheel which had to keep turning regardless of the risk to those involved.

A second aspect of the question which was asked on March 20 dealt with information I had that the environmental protection agency operating from Maine had lodged a complaint with the Canadian government concerning ambient air which was blowing across the border from Thetford. I would be happy to be corrected because that information came to me through a radio broadcast. I see my hon. friend the parliamentary secretary smiling, so it could be that the information I had may not be correct. I have not been able to trace the source of that information.

[Mr. Leggatt.]

I understood that there had been a problem and that an official protest had been made. It is probably fair to say that there was a problem, but whether an official protest was lodged may be in some doubt. I will let the parliamentary secretary deal with that.

I cannot, however, fail to feel somewhat outraged that the answer I received with regard to the imposition of clean air standards for asbestos is that we will see those standards before the end of this year. I submit that people will be injured and will suffer additional cancers before the end of this year, and in my view it is untenable that the government should not immediately impose ambient air standards right across the country.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I want to thank the hon. member for bringing this important question before the House. He has been very consistent, and this is undoubtedly a very important matter which must be dealt with. I suppose there are many good reasons it has not been dealt with before now, but in all fairness the Clean Air Act is a pretty new piece of legislation which was passed by the parliament of Canada.

The air pollution control directorate of the Department of the Environment has been studying the problem of asbestos fibres in the air for some time. Meetings have been held with officials of the province of Quebec as well as with those industries involved in the mining and milling of asbestos. The Minister of the Environment (Mrs. Sauvé) will be proposing to the governor in council national emission standard regulations for asbestos mining and milling operations prior to the end of this year. These regulations will allow control of stack emissions in both the mining and milling processes, as well as for fugitive dust emissions resulting from handling operations and waste disposal.

The regulations will be established under the Clean Air Act, and the provinces will be implementing the standard under their own authority. As a regulation under the Clean Air Act, however, the federal government can of course enforce the standard itself, should this prove necessary.

Officials of the Department of the Environment, of the Department of External Affairs and of the Canadian embassy in Washington are not aware of any protest being received from any U.S. authority concerning airborne asbestos fibres crossing into Maine. I was glad to hear that the hon. member was relating his information to a radio broadcast. I would like to know if he has any further information. We would be glad to follow it up.

AIR TRANSPORT—SUGGESTED SEPARATE MINISTRY FOR CIVIL AIR TRANSPORT—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Madam Speaker, last month the Minister of Transport (Mr. Marchand) indicated that a separate ministry for air transport was one of the aspects of transportation policy being considered. I want to point out this evening that over ten years ago the Glassco Commission considered this option, but the government of the day decided on a wider approach, a so-called co-ordinated policy embracing all

types of transport as they related to the economic growth of Canada. I suggest that it is time to re-assess the situation, particularly in view of the increasing complexities of the whole transportation question and the demands on the ministry as it now exists.

The duties of the Minister of Transport are spelled out, among other places, in the National Transportation Act, the Railway Act, the Pilotage Act, the Canadian National Railways Act, and the Aeronautics Act. They involve responsibility for certain aspects of rail, air, and sea travel, for northern transportation, and for the Canadian Transport Commission. Dredging contracts, airports, freight rates and so on, all are matters of concern to the Minister of Transport. Certainly this heavy workload has a direct relationship to the sorry state of affairs within the department. A separate department of air would relieve the burden somewhat, and seems particularly reasonable given the fact that the Department of Transport shows every sign of continuing to grow and, within it, the field of air transportation is one of the fastest growing elements.

● (2210)

Steadily growing expenditures are one indication of the growth of the ministry. The budget of the Department of Transport has increased by about 267 per cent in the last five years, from 354.2 million in 1970-71 to nearly one billion in 1975-76. Within this, the expenditures for air transportation have increased at a rate of 237 per cent, from 198.7 million to 471.3 million. Moreover, expansion of air passenger traffic is expected to continue at a rate of 8 per cent a year until 1978; while air cargo is presently growing at a rate of close to 18 per cent. This continued growth of air transportation presents a strong argument in favour of a separate ministry of air, particularly since the main argument against it—the need for a co-ordinated transportation policy—is inconclusive.

One of the things a minister of air or of civil aviation could do, for example, would be to reorganize the affairs of Air Canada. He could provide for a more flexible type of Crown corporation; he could direct an infusion of capital, and so on. In passing, Madam Speaker, I should like to point out that the debt-equity ratio which is now being used as a financial crutch by management is not entirely justified. The other side of the coin is the very favourable interest rates that have been of assistance to Air Canada in the past. I should like to observe also, Madam Speaker, that under a separate ministry sporadic and purely political interference in civil aviation could be replaced by steady supervision.

A new minister of air could co-ordinate civil aviation policies. The same minister would not be in charge of competing modes of transport and would focus responsibility for a national air policy through one department. A minister for aviation would thus have time to supervise activities and direct policies on this unique form of transport. He or she could thoroughly evaluate and give attention to regional air policies—rationalize them—lessen Air Canada's monopoly in some areas where smaller airlines could do better, and encourage Air Canada to do a better job on long haul domestic and international flights.

A recent article in the Ottawa *Citizen* of May 23 quotes an airline executive as saying:

> Sometimes I have to wonder where Air Canada ends off and the Ministry of Transport begins,

The article later quotes a regional airline president as follows:

> The government should either let the airline completely alone or it should step in to enforce some sort of consistency,

I suggest, therefore, that the argument for a separate ministry of aviation is a sound one, and I urge the minister to give it considerable thought. Such a ministry could also pay greater attention to Air Canada's activities abroad which affect our trade patterns and our national interests. For example, Air Canada is getting a black eye because the strike of its employees in Paris has been allowed to drag on for over a month. There have been many unfortunate side effects, and a loss of revenue.

I hope the minister will accept my observation in the fashion in which they are offered—an open minded fashion. I recognize his problem, but I hope he recognizes and the government recognizes that problems must be solved sometimes by using innovative methods and procedures at least on a trial basis. Certainly there are arguments to be made against a separate ministry, but I hope the government will fully explore both sides and attempt to do something.

If the creation of the Solicitor General's portfolio from the area of responsibility held by the Minister of Justice (Mr. Lang) could be justified in 1965, then surely there is just as much if not more need for a ministry of air vis-à-vis the general portfolio of transportation than there was, let's say for a separate portfolio for the RCMP and the penitentiaries approximately ten years ago. In the interest of keeping cabinet positions within manageable numbers, I suggest that the government should consider abolishing the Solicitor General's portfolio. The Department of Justice should be responsible for carrying out the work now performed by the Solicitor General (Mr. Allmand), and a new ministry of aviation should be established as an experiment.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I assure the hon. member that his comments this evening will be considered carefully in the spirit in which he made them. He has acquired a reputation in the House for being hard working, responsible, and knowledgeable in many fields.

As the Minister of Transport (Mr. Marchand) indicated on earlier occasions, he hopes to be in a position in the not too distant future to indicate to the House the results of the current review of transportation policy. In carrying out this review the minister has considered a wide range of options and assessed the implications of each of them. In the meantime I might mention that one of the requirements we see is the need to develop all modes of transport in an integrated way so that the best use is made of each mode in relation to others. The requirements of all modes can then be considered in a balanced way, by taking into consideration the requirements of users, carriers, and governments. The desirability of creating a separate ministry of aviation would have to be examined within this concept.

I should add, as a western Canadian, that I also look forward to the minister's announcement concerning the

new transportation policy. We, in western Canada, as the hon. member for Winnipeg North Centre (Mr. Knowles) will no doubt agree, face many problems in transportation. We hope that a new transportation policy will soon be formulated and resolve many of our transportation problems.

INCOME TAX—DECENTRALIZATION OF DATA PROCESSING—POSSIBLE ESTABLISHMENT OF OFFICE IN ATLANTIC REGION

Mr. Andy Hogan (Cape Breton-East Richmond): Madam Speaker, as recorded at page 5822 of *Hansard* for May 15, replying to my question concerning the criteria to be used in deciding on a location in the Atlantic region for the proposed data processing unit of his department, the Minister of National Revenue (Mr. Basford) noted several yardsticks he would use. These criteria included the number of tax returns filed with the Atlantic region, the availability of part-time and full-time workers, the availability of space, and the availability of communication links.

I want to develop some further observations on this matter this evening. I think the Sydney industrial area is an ideal location for such a data processing unit. We have an abundance of part-time workers available. Our latest unemployment figures for Cape Breton Island, as forwarded to me by the Nova Scotia department of labour, show unemployment rates for January, February, March and April of 13 per cent, 16.1 per cent, 17 per cent and 14.3 per cent respectively. These figures, of course, do not include the discouraged workers, male and female, who stopped looking for work because they considered it hopeless to do so. Besides that, our labour force participation rate for the first quarter of 1975 was 8 percentage points below that of Economic Region 6 in Nova Scotia, which includes Halifax County. Thus there is an abundance of underutilized human beings ready to work.

When it was announced that a satellite data processing centre was to be established in Winnipeg, it was noted that, initially at least, 125 highly skilled permanent jobs plus 1,000 part-time jobs would be created, with a 1975 payroll of $4 million.

I want the minister to know that the Nova Scotia Eastern Institute of Technology in my riding now teaches data processing. They are capable of training most of the highly skilled personnel needed, as well as the part-time people. We, through the Cape Breton Development Corporation and/or the College of Cape Breton, can provide adequate space; I think the minister would find the communications links more than suitable.

When the Department of Regional Economic Expansion was decentralized a couple of years ago, 84 members of the department were stationed in Moncton, 43 in Halifax, 41 in Fredericton, 19 in Charlottetown and 41 in St John's, Newfoundland.

As Nova Scotians we were happy to see the Halifax-Dartmouth metropolitan area profit from a special agreement entered into between the province of Nova Scotia and DREE. In Halifax a total of $87.7 million was earmarked for waterfront development, including a new, large hotel in downtown Halifax.

[Mr. Marchand (Kamloops-Cariboo).]

● (2220)

Some in Cape Breton thought it was an anomaly to build another luxury hotel in Halifax when our housing problem is so acute in Cape Breton, but the development of Halifax has helped Cape Breton in that many Cape Bretoners—they never call themselves ex-Cape Bretoners—can get steady jobs there.

We all hope that the metropolitan area growth investment scheme will be successful, and we are glad to note that following DREE's announcement of the special grant to the Halifax-Dartmouth area that One Sackville Place Ltd. of Halifax said it would build a $5 million low-profile eight storey building in Halifax on a 40,000 square foot site adjacent to the Hotel Nova Scotian owned by the Canadian National Railways.

It is time for some government agencies to be decentralized in favour of high unemployment areas, especially when they have almost 20 per cent of a provincial population as does Cape Breton county.

Surely it is unfair to let such areas try to fight the cold winds of international competition in their basic industries when all that is needed is the political will to make the government department decentralization process a tool of diversification and growth for such hard hit areas. I appeal to the Minister of Regional Economic Expansion (Mr. Jamieson) and the Secretary of State for External Affairs (Mr. MacEachen) to take a strong stand with the Minister of National Revenue and other cabinet colleagues on this matter, which I consider a matter of principle as well as being an important means of getting balanced provincial development.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Madam Speaker, the hon. member's question in the House on May 15, followed by the remarks which he has just concluded, arise from an announcement the minister made in Winnipeg on May 9.

On that occasion he announced the government's decision to carry out a geographic decentralization of the Ottawa Data Centre for the processing of income tax returns. The first of the satellite data centres is being established in Winnipeg. Within a period of up to five years, similar data centres—all linked to the central facility in Ottawa—will be established in the other four regions of Canada, that is in the Atlantic provinces, Quebec, Ontario, and the Pacific region.

I should mention that even before this important decision was made, the department, both on the taxation and the customs and excise sides, was one of the most decentralized of government departments. For instance, more than 80 per cent of the taxation employees are situated outside the capital.

I realize the big pitch the hon. member is making here tonight is important, namely, that these centres should be located in the slow growth areas of the country. I should also mention that very strong representations have been made to the Minister of National Revenue (Mr. Basford) by the Secretary of State for External Affairs (Mr. MacEachen). All that the Minister of National Revenue can honestly say at this stage is that he is listening to all the representations being made to him. He has also mentioned

that representations were received from the other maritime provinces.

Our first regional data centre should be in operation by late 1975. In support of what I have said about the effect on the local labour force, I might mention that the Winnipeg facility will require approximately 125 full-time and more than 1,000 casual employees during 1975-76. The 1976 payroll will exceed $3,800,000. It is a very important policy in many ways.

Motion agreed to and the House adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, May 28, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FISHERIES

[*English*]

PROPOSED UNILATERAL DECLARATION OF MANAGEMENT OF MARINE RESOURCES TO EDGE OF CONTINENTAL SHELF—MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43, I rise to ask leave of the House to present a motion of urgent and pressing necessity.

Having regard to the fact that the fishing industry of this country is in danger of being totally destroyed as a result of overfishing off our coast by foreign fishing fleets; and, in light of the failure of the Geneva Law of the Sea Conference and all other such conferences dating back to 1959 to agree on a solution to the problem, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this government establish a date within the present year, 1975, on which this country will, in the absence of a satisfactory agreement by the other fishing nations of the world to reduce their fishing efforts over our continental shelf, unilaterally assert its control over the marine resources to the edge of the continental shelf and the slopes thereto, thereby enabling Canada to properly manage, harvest and rehabilitate our fishery resources and, further, that this country's delegates to the forthcoming ICNAF meetings be instructed to convey this ultimatum to all other member nations at the June 6 meeting of that body.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

SUGGESTED REVIEW OF INADEQUATE ESCALATION OF PENSIONS OF RETIRED EMPLOYEES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43 on a matter of urgent and pressing necessity. It arises from yesterday's announcement concerning the escalation of the pensions of Canadian National retired employees. It is a motion which I hope the House will see fit to accept.

Sir, in December several deputy ministers retired on sizeable pensions and received cost of living increases of more than 10 per cent in January, the very next month. Canadian National proposes to escalate the pensions of those who retired more than two years ago by a formula involving increases from 6 per cent down; for those who retired in 1973 and 1974 there is to be no escalation at all. Therefore I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House hereby declares that the recently announced minimal cost of living increases in Canadian National pensions in the case of those who retired prior to January 1, 1973, and the refusal of the CNR to grant any cost of living increases at all in the case of those who retired in 1973 and in 1974, are totally unacceptable, and this House calls on the Canadian National Railways to review this matter forthwith, it being the view of this House that all pensions should be escalated at least by the percentage of the rise in the cost of living.

Mr. Speaker: Order, please. The motion proposed pursuant to Standing Order 43 requires the unanimous consent of the House before presentation. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HEALTH

SUGGESTED INCREASED PENALTIES FOR THOSE WHO SELL MEAT UNFIT FOR HUMAN CONSUMPTION—MOTION UNDER S.O. 43

Mr. Armand Caouette (Villeneuve): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to bring forward an extremely urgent motion requiring immediate attention.

Given the fact that the revelations heard before the Quebec organized crime inquiry have shown unquestionably that Canadians, and particularly Quebecers, have eaten tainted meat sold by unscrupulous individuals, and that the repressive measures provided in the statutes are far too weak to dissuade tainted meat dealers from poisoning the population, since the fines are under $100, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That this House consider the measures to be taken in order that the tainted meat dealers upon conviction for a first office, be liable to imprisonment for a term of at least two years without any respite nor parole and, for a second offence, to imprisonment for a term of five years without any respite nor parole, in order to protect Canadian citizens from the disgusting doings of those who sell tainted meat for human consumption.

Mr. Speaker: Order, please. Under Standing Order 43, such a motion requires unanimous consent of the House. Is such consent granted?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent, so the motion cannot be put.

* * *

● (1410)

[*English*]

PRIME MINISTER'S OFFICE

ALLEGATION PRIME MINISTER'S SECRETARY, MR. AUSTIN, USING OFFICE TO FIGHT INCOME TAX CASE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion that is self-explanatory. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

In view of serious allegations yesterday by Southam News Services that the principal secretary to the Prime Minister, Mr. Jack Austin, has been using the Prime Minister's office as an information gathering centre to fight a $70,000 personal tax case with the Department of National Revenue, including specific use of the Prime Minister's telephone number and an office address in the East Block of the parliament buildings on letters dated January 30, 1975, the House request a full and complete investigation of this matter and that the said Mr. Austin should remain absent from his duties or otherwise be suspended until such time as the allegations are disproved or otherwise.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and demands the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

ALLEGEDLY CONFLICTING VIEWS OF CABINET MINISTERS ON WHETHER EXCESSIVE WAGE SETTLEMENTS THREATEN CANADA'S COMPETITIVE POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister. I would like him to tell the House who was expressing the position of the government, the Minister of Labour yesterday when he described as a prevailing myth that excessive wage settlements threatened our competitive advantage over the United States or the Minister of Finance who said in Sarnia on May 9, and I quote:

The very fact that for a considerable period of time Canadian wages and salaries have been rising at a very much faster rate than those in the U.S. should make it obvious that our competitive position is being seriously jeopardized.

[Mr. Speaker.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have been looking at the remarks made yesterday by the Minister of Labour.

Mr. Stanfield: I bet you have.

Mr. Sharp: He did not quite say what the Leader of the Opposition has said. He quoted Mr. McGillivray, a journalist, who had pointed out that average wage gains had been running at less than one per cent more than those of the United States in collective agreements. At the end, he said:

I think this myth about Canadian wage settlements being double those in the United States should be laid to rest right now.

One can have a difference of view as to whether wage increases have been doubled. The Minister of Labour was expressing some doubt about that. He did not say that our position had not deteriorated. Indeed, our position has deteriorated. Both the Minister of Finance and I would affirm that.

Mr. Stanfield: Mr. Speaker, may I quote word for word what the minister said, as reported in *Hansard*.

Mr. Drury: The whole, not part.

Mr. Stanfield: I will quote the whole for the Minister of Public Works. I quote:

Time does not permit my dealing as extensively as I would like with the prevailing myth that excessive wage settlements are the main cause of inflation, that they are running at double the average rise of wages in the United States, and that they threaten our competitive advantage over the Americans.

That is to be found at page 6163. May I ask the Acting Prime Minister whether the Minister of Labour was stating the position of the government yesterday or whether the Prime Minister was stating the position of the government at the first ministers meeting in April of this year when he said: "Meanwhile, our industries are facing increases in their wage settlements that are twice the size of those being made in the United States".

Mr. Sharp: Quite clearly, the Prime Minister speaks for the government.

Some hon. Members: Oh!

Mr. Stanfield: I don't know what that does to the Minister of Labour, but I should like to know what it does to the government's consensus program. I should like to ask the Acting Prime Minister whether his government can properly present a consensus program to the people of Canada before it has achieved consensus within its own ranks.

Mr. Sharp: The government is fully behind the Minister of Finance and the Minister of Labour—

Some hon. Members: Oh, oh!

Mr. Hees: And all other points of view expressed by the cabinet.

Mr. Sharp: —both of whom have been urging upon business, labour and the community in general the need for restraint.

SUGGESTION EXCESSIVE WAGE SETTLEMENTS RESULT NOT CAUSE OF INFLATION

Mr. John A. Fraser (Vancouver South): Yesterday, the Minister of Labour said:

> Time does not permit my dealing as extensively as I would like with the prevailing myth that excessive wage settlements are the main cause of inflation.

If these remarks are accepted, does the government now concede that wage demands are only the result of continuing inflation and not the cause of it?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker.

Mr. Fraser: Could I then ask the minister just what he did mean by those words?

Some hon. Members: Oh, oh!

CANADA'S STRIKE RECORD—POSSIBLE JUSTIFICATION OF HIGH WAGE SETTLEMENTS IN VIEW OF INCREASED PRODUCTIVITY

Mr. Max Saltsman (Waterloo-Cambridge): I should like to direct my question to the Minister of Finance, Mr. Speaker. In the light of the new information which has been placed before the House by the Minister of Labour, does the Minister of Finance now share the Minister of Labour's view that our strike record is not nearly as bad in terms of international comparison as he is making it out to be?

Hon. John N. Turner (Minister of Finance): I shall be dealing with that matter on budget night. I shall be glad to produce the figures for the House.

Some hon. Members: Oh!

Mr. Saltsman: I imagine the Minister of Finance needs some time in which to consult with his colleague, the Minister of Labour, in order to work out a new consensus on this matter. It is a subject of considerable interest since these two opinions are floating around the country, and I think it is the minister's responsibility to let the country know what position he is taking. Does the Minister of Finance share the view of the Minister of Labour that Canadian wages have risen faster than wages in the United States because our productivity has been rising faster—

Mr. Hees: Our productivity has been going down and you know it, John.

Mr. Saltsman: —and that higher Canadian increases are therefore warranted?

Mr. Turner (Ottawa-Carleton): Generally speaking, the Minister of Labour and I have been continuing to hold discussions with representatives of the labour movement. We both recognize that wage demands have reflected a legitimate catch-up because of inflation in terms of higher prices for food, clothing, oil and various other commodities in 1974. The thrust toward catch-up is a legitimate effort on the part of the labour movement. What we are most concerned about is that in attempting to catch up labour, business, the professions and indeed governments will attempt to over-reach in anticipation of further and future inflation rates. On that subject, the Minister of Labour and I are not in disagreement.

● (1420)

PRINCIPLE OF CABINET SOLIDARITY ON ECONOMIC POLICY—POSSIBILITY OF FREE VOTE ON BUDGET

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, may I direct my final supplementary question to the Acting Prime Minister because I do not think the House has been reassured by the information that has been given to us today on what is the position of the government. I wonder whether the Acting Prime Minister can deal with the question and inform the House whether the cabinet has decided to abandon the principle and tradition of solidarity in respect of economic policy, and whether the budget, when it comes, will be subject, as far as the government side of the House is concerned, to a free vote?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, it will be a question of confidence, as it was the last time when we had a resounding victory.

* * *

[*Translation*]

INCOME TAX

RIGHT OF STUDENTS TO DEDUCT MOVING COSTS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of National Revenue.

Is it true that under the provisions of the Income Tax Act, a Canadian student attending university in Canada can deduct his travelling expenses both ways, while the Canadian student attending university abroad can only deduct his expenses to get there?

[*English*]

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, this question is a somewhat detailed one regarding allowances under the Income Tax Act. I would be happy to write to the hon. member and explain the full provisions applicable.

* * *

CANADIAN NATIONAL RAILWAYS

SALE OF SUBSIDIARY CHAPMAN TRANSPORT TO DIRECT WINTERS TRANSPORT—REQUEST FOR REPORT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Minister of Transport. Would the minister advise the House whether Canadian National Railways has sold one of its trucking subsidiaries, Chapman Transport Limited of Kelowna, B.C. to Direct Winters Transport of Toronto, which is controlled by Fuqua Industries Inc. of Atlanta, Georgia, an American corporation?

Hon. Jean Marchand (Minister of Transport): This I will have to investigate, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Well, Mr. Speaker, I do not think any member of the House believes that Air Canada or the CNR make daily reports on all the transactions they are conducting in Canada. If hon. members want this to be so, we would have to modify the law.

Mr. Baldwin: I expected the minister to take notice of it, Mr. Speaker, and would he also take notice of this question. As Crown corporations are excluded from the provisions of the foreign investment review legislation, would the minister, when he is making inquiries, find out from the CNR what particular benefit there is to Canada in a transaction of this nature?

Mr. Marchand (Langelier): Mr. Speaker, I think the way the question is put is very civilized and I am going to do that.

* * *

HEALTH

SUGGESTED TESTS OF VIETNAMESE REFUGEES FOR TROPICAL DISEASES—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of admissions of South Vietnamese children, orphans and others, from this war torn area, since many of them come from areas where tropical diseases, intestinal parasites and so on, are common, can the minister assure the House that proper tests have been carried out to detect any such diseases and whether preventative innoculations have been carried out according to accepted principles?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the hon. member is aware that Canada has one of the most comprehensive tests for immigrants, especially with regard to tropical disease. As for the Vietnamese, I am advised that this type of procedure has been followed in all cases and that tests and examinations have been carried out before entry. There have been a few cases where it has been impossible to carry out the tests before entry, but they were carried out immediately after entry and any indication of something abnormal was reported to the provincial health authorities for further action.

* * *

UNEMPLOYMENT INSURANCE

POSSIBLE INCREASE IN FUNDING TO COVER INCREASE IN BENEFIT PAYMENTS—NOTICE TO MINISTER OF FINANCE OF NEED FOR FUNDS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, now that the net unemployment insurance benefit payments have increased by over $200 million in the first quarter of this year as compared with the first quarter of 1974, will the Minister of Manpower and Immigration now tell the House whether his department's anticipated transfer of $890 million to the total unemployment insurance account will have to be increased by supplementary funding, and could the minister venture a projection as to what amount of supplementary funding will be required, given that the number of unemployed is hardly likely to decrease this year?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the amount of $890 million is actually an estimate, and of course refers to what was required to supplement the government's cost of unemployment insurance benefits paid last year, not this year. Consequently it is an accurate figure. In fact, the amount required might be a few million dollars less than that, but it relates to unemployment for last year, not this year. In so far as a projection for this year is concerned, I indicated in another place that with variations in the levels of unemployment there would be variations in the levels of the benefits that will be required.

Mr. Alexander: Mr. Speaker, I would direct a supplementary question to the Minister of Finance. In light of the fact that the Minister of Manpower and Immigration revealed last night that Canada can expect an even higher unemployment rate this year, the highest in some 14 years, and as it is clear that vastly increased government funding will be required to maintain the flow of benefits to an expected record number of unemployed claimants, will the minister inform hon. members as to whether he has received notice from his colleague, the Minister of Manpower and Immigration, that heavy additional government expenditures will be required in this area?

Hon. John N. Turner (Minister of Finance): That is one of the matters in respect of which we are consulting, Mr. Speaker.

* * *

[*Translation*]

HEALTH

REQUEST FOR LEGISLATION TO EXCLUDE CRIMINALS FROM FOOD PROCESSING AND PHARMACEUTICAL INDUSTRIES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare.

Can he assure us and the Canadian public that, considering the recent revelations made before the Dutil Commission in Quebec and the previous findings of his investigators, he gave official and specific instructions to the services concerned within his department with a view to countering any eventual infiltration by organized crime in the field of food or pharmaceutical products, and can he tell the House whether there exists a standing interdepartmental committee working to subdue organized crime which, as is obvious, seeks to exercise activities beyond the control of citizens and of governments?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, with regard to the hon. member's question, I would first like to take this opportunity to correct mistaken information that he submitted to the Canadian public last Friday, mistaken information that he

could not have known to be so since he informed the Canadian public that no meat seizures had taken place. In fact, the hon. member knew full well, in light of the press release that had been issued for at least a week that more than 210 tons of meat had been seized in Quebec.

As to the question raised by the hon. member, I must reiterate that my officials were the instigators of the investigation conducted by the police. I have no reason to doubt their honesty, integrity and devotion, and I feel that the facts clearly indicate that they carried out their duties within their mandate. As for the latter part of the hon. member's question, I have no knowledge of such a special standing committee. As everyone knows, we have a police force called the RCMP that enjoys the trust of Canadians and surely that of the government. The force is under the official authority of the Solicitor General and is more than capable of carrying out its duties required for the application of Canadian legislation.

* * *

CONSUMER AFFAIRS

GOVERNMENT TO PROTECT QUEBEC CONSUMERS FROM MEAT UNFIT FOR HUMAN CONSUMPTION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a supplementary.

In addressing my supplementary to another minister, I should also like to say that I did not mislead the people when I advised them that the minister had behaved stupidly by refusing to prevent the sale of tainted meat, of which he is now aware, and by claiming that he had to wait for the end of the inquiry before acting.

I therefore put my question to a minister who is more responsible, the Minister of Consumer and Corporate Affairs. At some time or other in the last two months has the Minister of National Health and Welfare or the food advisory division of the Department of National Health advised, as it should, the department to pay special attention to the sale and advertising of certain food products of which the raw material seemed of doubtful quality some time ago according to the Minister of National Health and Welfare, some federal inspectors and, if so, what has been done?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I must remind the hon. member that this matter does not fall within my responsibilities; still, I have discussed several times, with my colleague the Minister of National Health and Welfare, this matter which seems to concern the hon. member to the highest degree.

Mr. Wagner: Mr. Speaker, I have another supplementary for the learned minister.

In addition to his talks with the Minister of National Health and Welfare, has the minister done anything to help the people?

Mr. Ouellet: Mr. Speaker, I think the hon. member should not confuse the responsibilities of each minister. He seems to be doing his best not to understand or to pretend not to understand the answers given to him by the Minister of National Health and Welfare which are quite clear.

* * *

● (1430)

[*English*]

HEALTH

ADEQUACY OF MINISTER'S AUTHORITY TO INSPECT MEAT SOLD FOR HUMAN CONSUMPTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that section 4 of the Food and Drugs Act prohibits the sale of meat unfit for human consumption, and section 22 authorizes inspections by the minister's officials of any abattoir or place food is stored, can the minister indicate whether he has consulted with his legal advisors to determine whether these two sections of the act indeed give him all the authority he needs to inspect any place handling or storing food or whether there are any situations in respect of meat where he feels he does not have authority to gain access?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, again, this is a matter of legal interpretation which is out of order.

[*English*]

Mr. Yewchuk: Mr. Speaker, I should like to rephrase the question in another way and make it much more simple. Can the minister indicate whether he feels there is any place in Quebec where meat unfit for human consumption is being sold or that there is any abattoir or place where meat is stored in respect of which he does not have authority under the Food and Drugs Act to enforce the law.

[*Translation*]

Mr. Lalonde: Still the same question, Mr. Speaker.

[*English*]

LACK OF REGULATIONS TO PROTECT QUEBEC CONSUMERS FROM MEAT UNFIT FOR HUMAN CONSUMPTION— GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a supplementary question to the Minister of National Health and Welfare. Yesterday the minister mislead the Committee on Health, Welfare and Social Affairs in connection with his estimates when he said there was protection afforded to Quebec consumers by a provincial act known as the Dead Meat Act. In checking with the Quebec government today I find there is no such legislation. The Quebec officials confirmed the fact that there are no regulations protecting consumers in the province of Quebec. In light of the fact that there is no consumer protection to Quebec consumers what is the minister doing to carry out the law in respect of the statute which is his responsibility and send additional

inspectors into the province of Quebec under the Food and Drugs Act.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, once again, the hon. member is still vague in the information he is referring to. The legislation I referred to is the Public Health Act, Quebec R.S., Chap. 21, and the regulations under the act, and the hon. member only has to refer to them; they are quite clear.

* * *

[*English*]

IMMIGRATION

SUGGESTED REVIEW OF METHOD OF OBTAINING BACKGROUND IMFORMATION ON POTENTIAL IMMIGRANTS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Since the minister did not understand my question yesterday concerning why the normal investigation into the background of General Van Quang was not undertaken prior to his entry into Canada, I will try again with a related question. A recent press report alleged that a self-confessed torturer, bomber and accessory to murder who was also a CIA-trained Uruguayan police officer, Nelson Bardecio, has been granted landed immigrant status under somewhat strange circumstances. Can the minister assure the House that his present method of relying on foreign-based intelligence agencies such as the CIA for information concerning potential immigrants to Canada is being seriously looked into at this time?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the people responsible for advising on the security or criminality of applicants for admission to Canada do not concentrate on the use of one or another agency. They use various sources of information, so the CIA was not the only source of information used.

Mr. Blackburn: Mr. Speaker, as the RCMP normally relies upon outside agencies for information about potential immigrants, and since cases such as those of Quang and Bardecio make it clear that agencies such as the CIA are not going to provide information about the criminal activities of their former paid agents, is the minister, along with his colleague the Solicitor General, considering measures to guard against the use of Canada for cooling off former CIA employees and keeping them out of the eye of United States Congressional committees?

Mr. Andras: Mr. Speaker, I will note the hon. member's representations.

* * *

AIR TRANSPORT

AIR TRAFFIC CONTROL COMMUNICATIONS—SUGGESTED RECONSIDERATION OF POLICY ON BILINGUALISM

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Transport. In light of the BILCOM report put forth by the minister's task force investigating bilingualism in respect of air traffic control communications which did not receive the support of the Canadian Air Traffic Controllers Association, will the minister, in the interest of public safety, agree to the recommendations of the Canadian Air Traffic Controllers Association and either place geographical restrictions on unilingual pilots or provide them with English language training so that they can communicate with ground stations in controlled air space?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I made public both reports, the majority report and the minority report. I have received representations from the Pilots Association which I think is a good thing. When I have received all the representations, which are of any value, I will see what kind of policy we will design in that field.

* * *

FISHERIES

SUGGESTED UNILATERAL DECLARATION OF CONTROL OF MARINE RESOURCES TO CONTINENTAL SHELF—GOVERNMENT POSITION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the very serious problems facing our Canadian fishermen and the fact that they are facing perhaps total destruction of their means of earning a livelihood because of the over-fishing efforts of the foreign fishing fleets off our coast, and in light of the fact that the Geneva Law of the Sea Conference and all other such conferences have failed to find a solution to that very serious problem, is the Acting Prime Minister prepared to say if the government will establish a date, preferably sometime in 1975, beyond which Canada will not tolerate any further plundering on the part of foreign fishing fleets and will unilaterally declare its right and its intention to manage and control our marine resources to the slope of the continental shelf.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the alternative the hon. member has put up is one that is under consideration by the government. If the Law of the Sea Conference lamentably fails to achieve a general agreement, then it is certainly one that we would consider. I cannot, of course, give any dates because it is still our objective that there should be an international agreement.

Mr. Carter: Mr. Speaker, the Acting Prime Minister referred to the Law of the Sea Conference. I presume he was talking about the ICNAF meetings in Stockholm. Will he tell the House whether it is the intention of the government to make such a declaration if our delegation fails to reach the agreement being sought at the ICNAF conference whereby we are requesting that the fishing efforts of foreign nationals be reduced by 40 per cent.

Mr. Sharp: Mr. Speaker, we could only get the authority the hon. member seeks over our off-shore either through international agreement at the Law of the Sea Conference, or an international convention or by unilateral declara-

tion. So, these two matters are closely related. I assure the hon. gentleman that we are quite well aware of the problems he has outlined and the possibility of unilateral action is not ruled out.

* * *

● (1440)

NATIONAL DEFENCE

POSSIBILITY OF AGREEMENT ON USE OF LIMITED TACTICAL NUCLEAR WEAPONS—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of National Defence. In view of world concerns regarding the potential escalation of a conventional limited war into a nuclear war through the use of limited tactical nuclear weapons, has Canada entered into any formal or informal agreements with its allies in either NORAD or NATO agreeing to the use of limited tactical nuclear weapons?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

Mr. Wenman: Does the minister consider limited tactical nuclear weapons as military hardware within the currently accepted limits of a limited war?

Mr. Richardson: If I understand the question correctly, Mr. Speaker, nuclear weapons can be used in a tactical sense and they would be very much a part of our deterrent, particularly on the central front in Europe.

* * *

REGIONAL ECONOMIC EXPANSION

METROPOLITAN AREA GROWTH INVESTMENTS LIMITED—DATE WHEN AGENCY WILL BECOME OPERATIONAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Regional Economic Expansion, if I could get his attention. Inasmuch as 1023 days have gone by since his department announced the establishment of the Area Growth Investments Corporation in the city of Halifax area, can the minister now give some indication to the House as to when his department and the province of Nova Scotia will arrive at an agreement on the question of a chairman for that group so that the metropolitan area can have some benefit from the many billions of dollars that have been lying idle in the bank?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, it has been 1023 days, or whatever the hon. member said, since the corporation was formed, but it is only one day since I answered the same question posed by his colleague, the hon. member for Central Nova.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I suggest to the Minister of Regional Economic Expansion that instead of engaging in foolishness his department could spend the money on something worthwhile, such as a tunnel under the Northwest Arm, and be done with this charade.

AIR TRANSPORT

FARE INCREASES—POSSIBILITY OF INTERVENTION BY MINISTER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Transport and it arises out of the increase in domestic air fares which went into effect yesterday. Is the minister satisfied that the amount of the increase awarded to the airlines by the Canadian Transport Commission is justified and, if not, does he plan to intervene under the provisions of the act?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I already said in the House that I asked Air Canada first to try to reduce some of the proposed increases. I think they did reduce those increases in the Maritime region. Apart from that, I am not the one who is supposed to be the judge of that. It is the responsibility of the CTC.

SUGGESTED CONSIDERATION OF INEFFICIENCY OF AIR CANADA IN ESTABLISHING NEW TRANSPORTATION POLICY

Mr. Don Mazankowski (Vegreville): In view of the fact that the hearings revealed that the operations of Air Canada show significant inefficiencies and the fact that Air Canada happens to be the price pacesetter in the airline industry, is the minister looking into this, and also is the minister looking into the mass cross-subsidization which is taking place in the operations of Air Canada at the expense of the western air traveller and if that practice is consistent with the national air transportation policy?

Hon. Jean Marchand (Minister of Transport): I think the hon. gentleman knows that right now there is an inquiry into certain financial aspects of Air Canada. I think it is unjust to refer only to the loss or deficits of Air Canada and to say that it is not as efficient as other airlines because we ask Air Canada to do things that we do not ask private companies to do.

An hon. Member: Such as what?

Mr. Marchand (Langelier): I think it might be a good opportunity when we receive Mr. Justice Estey's report to review the whole thing and see whether the financial administration is good.

Mr. Mazankowski: The question I posed has nothing to do whatsoever with the inquiry. I asked a simple question as to whether the minister approves, as part of the over-all national transportation policy, of the mass cross-subsidization which is taking place in Air Canada and whether in fact the revelations that were brought forth at the hearings concerning the gross inefficiencies in Air Canada are being looked into as part of the minister's review and the over-all approach of the national transportation policy. It is a simple question which has nothing to do with the inquiry. Perhaps the minister might also advise the House whether any consideration is being given to a review of the domestic transcontinental air policy.

Mr. Marchand (Langelier): Yes, there will be a review. As to the subsidization of certain areas in Canada, it takes

place not only with regard to the airlines but even with the railways. This is something we are looking into.

[*Translation*]

REQUEST FOR REDUCTION OF FARES ON SHORT FLIGHTS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I also have a question for the Minister of Transport.

Since the increase in air rate for a very short flight, actually a flight of twenty minutes between Victoria and Vancouver, represents a 50 per cent increase, while the one between Ottawa and Montreal amounts to 27 per cent only, would the minister be prepared to set aside that confiscatory increase on this short flight in British Columbia, in order to reestablish a more equitable rate for western passengers?

Hon. Jean Marchand (Minister of Transport): I think, Mr. Speaker, this is a highly appropriate question. It is true not only between Victoria and Vancouver, but throughout Canada in general, that short distances, short flights indeed are subsidized by long ones and that, of course, is often not justifiable. The case of Victoria is one of those, and it is precisely one of the things that we try to correct. However, this will require a very deep change of attitude, not only on the part of the department, but also on that of the CTC, which has that responsibility. I am sorry.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I want to ask a supplementary question. I would like to remind the minister that subsidies are paid by the passengers but would he be willing at least to suspend the federal tax on tickets for flights lasting less than one hour, for instance, between Victoria and Vancouver and between Ottawa and Montreal?

Mr. Marchand (Langelier): Mr. Speaker, I think I already mentioned that this is true, generally, not only for Victoria and Vancouver, but also for other regions of the country. What I want is a global policy which applies throughout the country.

* * *

[*English*]

FINANCE

SUGGESTED REVIEW OF REDUCTION OF TARIFF ON TIRES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Finance and it relates to questions asked of him last week by the hon. member for Winnipeg North regarding the rubber industry in Canada. In view of the lay-offs in the Canadian tire industry, and in view of the trade deficit in tires jumping from $25 million to $155 million last year, is the minister prepared to review his government's decision which reduced the tariff on tires from 17½ per cent to 12½ per cent?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are examining the matter in the light of the representations last week of the hon. gentleman's colleague.

[Mr. Marchand (Langelier).]

Mr. Symes: In view of the fact that sales of tires are about the same as in former years but that a smaller proportion of sales is made up of Canadian manufactured tires and that the import of U.S. tires is increasing, will the minister meet with representatives of the rubber industry to resolve our worsening trade balance with the United States?

Mr. Turner (Ottawa-Carleton): I will take note of that argument, Mr. Speaker.

* * *

● (1450)

LABOUR CONDITIONS

POSSIBILITY OF PROHIBITION OF STRIKES IN ESSENTIAL SERVICES—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Labour. In view of the minister's threat to clean up corruption in unions if this is not done internally, a threat supported by similar statements by the Prime Minister, is this crackdown on labour indicative of a new government policy moving toward the prohibition of strikes in essential services? Further, does this new law and order posture reflect the recent Canadian Institute of Public Opinion poll showing that Canadians strongly support the prohibition of strikes in essential services?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker, my statement in that connection did not reflect any of the conclusions that are very widespread that the hon. member is talking about. What I was saying was that I believe the CLC should set up the criteria necessary to enforce its own code of ethics so that the government does not have to intervene in the way we have experienced recently.

Mr. Dinsdale: A supplementary question. Could the Minister of Labour explain how this new strong stance against labour fits into the government's new, broader consensus policy as promoted by the Minister of Finance?

Mr. Munro (Hamilton East): Mr. Speaker, the allegations of corruption against certain union officials has no direct relationship to the consensus exercise. What I was talking about in this particular case was the necessity for labour itself to take a very vigilant posture toward wrongdoing within its constituent membership and affiliates. The reason I say that is that I believe in that way the good name of labour can be protected. We are all prepared to acknowledge that there is a great amount of integrity within the rank and file of the membership of the unions and their leadership in Canada, but a variety of examples have come to our attention lately which indicate that some people will use certain methods in order to dirty the name of labour generally throughout Canada. I believe the best defence against that is for the labour movement itself to set up the machinery necessary to enforce a code of ethics within the movement.

ADMINISTRATION OF JUSTICE

SHOOTING IN TOWN OF BRAMPTON—REQUEST FOR REVIEW OF GUN LEGISLATION

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, it is with a great deal of grief and shock that I rise to advise the House that about an hour ago there was a major shooting in the town of Brampton, as a result of which a high school teacher and a student were murdered and probably as many as 16 other students injured by the same gun fire. I should like to ask the Solicitor General if he would pledge his efforts to have the Royal Canadian Mounted Police co-operate in any way they can with the local police relative to the gun issue and perhaps even question whether the government will seriously review the gun legislation in Canada?

Mr. Horner: Was it a stolen gun?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I just heard about this terrible crime during the question period. I understand there was a labour problem in that school and this young boy entered the classroom and shot the teacher and some of the students. I intend to get a full report on the situation that led to the crime—the background of the boy and how he came into possession of the guns.

* * *

[*Translation*]

CRIMINAL CODE

SUGGESTED REFERENDUM ON RE-ESTABLISHMENT OF CAPITAL PUNISHMENT

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Solicitor General.

In the light of statistics which indicate an increase in murders in the country, could the minister tell the House whether he is prepared to let the Canadian people decide whether they are in favour of the restoration of the death penalty through a referendum?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is a question that will be decided by parliament. The government does not intend to have a referendum on the issue. I think if we are seriously concerned with the problem of murder we should direct our resources and attention to the causes of crime and not to penalties that will have no effect whatsoever.

AGRICULTURE

USE OF INSECTICIDE SEVIN—GOVERNMENT ACTION TO PROTECT WILDLIFE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Agriculture and in his absence I presume his parliamentary secretary will deal with it. It arises from complaints I have received from constituents as a result of the government's present program of aerial spraying with the dangerous insecticide Sevin to kill gypsy moths attacking trees in Frontenac county. Since this spray also kills wild and tame bees and beneficial predator insects as well as the birds that eat them, may I ask what the government is doing to assure the safety of the latter and to avoid disruption and damage to the basic balance of nature by this dangerous insecticide?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will take notice of the question directed to the minister who will be pleased to answer on his return.

* * *

[*English*]

FINANCE

POSSIBILITY OF MINISTER CONTINUING IN PORTFOLIO IN LIGHT OF VIEW EXPRESSED BY MINISTER OF LABOUR ON WAGE INCREASES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance who has made it a very central concern to express a position against the erosion of Canada's competitive position, and has frequently expressed the view that our competitive position is being seriously jeopardized by the rate of increase in wages and salaries in Canada. In view of the fact that the Minister of Labour has expressed the view that this is a prevailing myth, may I ask the Minister of Finance whether he intends to continue to serve in that portfolio in a government in which the Minister of Labour expresses a completely contrary view?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I intend to serve in the government as long as the Prime Minister asks me to serve.

Mr. Stanfield: A supplementary question. May I ask the Minister of Finance how he proposes to restore the credibility of the policy position he has taken in view of the fact that the Minister of Labour has directly challenged the validity of that position?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I should not like to think that my credibility depended entirely on the view of the Leader of the Opposition.

INFLATION—PROPOSED LIMITATION ON GROWTH OF MONEY SUPPLY

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my supplementary question is directed to the Minister of Finance in regard to his concern about inflation. Has he noticed a recent reduction in credit purchases in Canada which corresponds to a reduction in credit purchases in the United States?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, because that is a very carefully posed question,

before I give the hon. gentleman an answer I shall look it up.

Mr. Horner: A further supplementary, Mr. Speaker, so that I may clarify the point for the minister. Is Canada's central bank prepared to go as far as the central bank of the United States and suggest that the growth of Canada's money supply for next year will be limited to 5 per cent or 7 per cent to control inflation?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there are some risks in suggesting a target like that. Arthur Burns admitted that before Congress.

Mr. Horner: Are you prepared to risk it?

* * *

GOVERNMENT ADMINISTRATION

ALLEGED LEAK OF CABINET DOCUMENT—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Acting Prime Minister in his capacity as President of the Privy Council. On May 6 during a meeting in which officials of Central Mortgage and Housing, the Department of Indian Affairs and Northern Development and the National Indian Brotherhood were participants, a document identified as a secret cabinet discussion paper was circulated and debated. The document left the room and found its way to the press. This occurrence bears a striking resemblance to a similar situation—

Mr. Speaker: Order, please. If the hon. member has a question, perhaps he would put it to the minister.

Mr. Oberle: My question is to the President of the Privy Council. Has the government changed its position in regard to secret cabinet documents from that which resulted in the firing of a senior official last year or will the leak result in the firing of similar officials this time?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, if the government should find that there had been a deliberate leak of a document by a senior civil servant I think that would be grounds for dismissal.

Mr. Oberle: A supplementary question. Has the occurrence of May 6 been the subject of discussion in cabinet and is any action contemplated at this time? If not, does the government intend to reinstate Mr. Rudniki or offer him a settlement out of court, since his situation is identical to that which just occurred?

Mr. Sharp: Mr. Speaker, I do not accept the statement of the hon. gentleman. If any senior civil servant deliberately leaks a document then that is good ground for dismissal.

Mr. Speaker: The hon. member for St. John's East on a question of privilege.

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question of privilege has to do with a reply given to me in the House today by the Minister of National Health and Welfare (Mr. Lalonde). The minister has left the House; whether he did so deliberately or by inadvertence is not for me to say.

Yesterday in the Standing Committee on Health, Welfare and Social Affairs I was pursuing a question with the minister regarding his responsibilities in face of the fact that there are no regulations or statutes in the province of Quebec to protect Quebec consumers from having to buy tainted and contaminated meat placed on the market for human consumption. Let me quote the minister's reply. According to the transcript in my possession he said:

● (1500)

There is provincial legislation . . . I refer you to the Dead Meat Act of Quebec. I do not know whether you are aware of it and the regulations under the Dead Meat Act in Quebec. Are you aware of this particular legislation?

The minister, of course, today denied saying that, or implied he had not said it. I will deal with that in a moment.

I checked with the provincial department of agriculture of the province of Quebec and was told that there is no Dead Meat Act in Quebec. That is my first point. Further, today the minister when replying referred, I think, to the health regulations in Quebec. I was told by the same source in Quebec that there are no such regulations, or that those regulations are not in effect, and cannot prevent anyone in Quebec from placing tainted or contaminated meat on the market.

Some hon. Members: Shame!

Mr. McGrath: I submit that the minister has great responsibility in this field, as the regulations under Bill 31, the only legislation which affords any degree of protection to consumers under the jurisdiction of the province of Quebec, have not been proclaimed. In other words, there are not any regulations for protecting Quebec consumers. This makes it all the more necessary for the Minister of National Health and Welfare to discharge his obligations to the people of Quebec, obligations spelled out in the Food and Drugs Act, and give those people the protection they deserve as citizens of this country. I submit, without debating the point—

Some hon. Members: Oh, oh!

Mr. McGrath: —that the minister, as I have shown, misled the committee yesterday, and today stood in his place and, in replying to my question, misled the House.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not have the advantage of having before me a transcript of the committee discussions of yesterday, but I submit that if the hon. member were to read a little further on, and not stop where he stopped, he would see that I corrected that answer later in my testimony. I noticed that I should not have referred to the Dead Meat Act, but to the regulations regarding dead meat, which come under the Public Health Act of the province of Quebec. This is in the record; I remember having said that. I will check carefully, and if it is not there I apologize to the hon. member. There is a Public Health Act in force in Quebec which is chapter 21 of the

Revised Statutes of Quebec, and the matter of dead meat comes under the regulations under that act. I will be glad to send a copy of them to the hon. member for his information.

To answer the hon. member's second point, we have the Food and Drugs Act available to us and certain dispositions have been made under the Food and Drugs Act. As I was saying last week, my officials have been active in this respect. It was they who initiated the investigation and the inquiries which are going on at present; I have nothing but praise and commendation for them and for the job they have done with such integrity. I hope hon. members opposite will consider this matter with a little more justice, towards those officials who are doing their best to protect consumers.

Mr. Alexander: Mr. Speaker, I rise on a point of order. As a response of the Minister of Transport (Mr. Marchand) involved some misunderstanding, I am not raising a question of privilege.

Answering the hon. member for Kootenay West (Mr. Brisco), the Minister of Transport replied, as recorded on page 6055 of *Hansard* for May 23:

> Mr. Speaker, I think it is a general practice of all airlines to give names to travel agencies. I know that some passes have been given. I regret that the hon. member for Hamilton West is not here, because I think he was one of the officials of Heritage Canada and he might tell us how he travelled.

I do not know what the minister was driving at. Knowing how sensitive we all are in this House to innuendoes, I hope the minister will clarify this matter now, for my edification. If he has not facts to substantiate that I travelled with Heritage Canada, I respectfully ask him to withdraw his statement.

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. member for Hamilton West (Mr. Alexander) is right; there was some confusion in the way I answered. I did not intend to imply that he was travelling free, with Air Canada, because he was a member of the society named. I always thought he was a member of that society. It is a respectable society; there is no doubt about that.

An hon. Member: Oh!

Mr. Marchand (Langelier): Do you think it is a respectable society?

An hon. Member: Ask the Secretary of State (Mr. Faulkner).

Mr. Marchand (Langelier): I believe it is respectable, and I did not intend to imply that the hon. member abused any privilege. I think Heritage Canada charter aircraft for journeys abroad; I do not know if the hon. gentleman went abroad. Certainly, in these circumstances, the society has to pay the rate for charter aircraft.

There were two elements to the question asked of me by the hon. member for Kootenay West. One had to do about any possible relationship between Heritage Canada, the CTC and Air Canada. I think one vice president of Air Canada was on the advisory board of Heritage Canada, but I do not know anything about passes. I just said that it has been the custom for airlines to give passes to travel agencies. That was the question asked of me. I did not intend to imply that the hon. member benefited one way or another from that privilege.

Mr. Alexander: Mr. Speaker, if I may pursue further the point of order—

Mr. Speaker: Order, please. The hon. member has recited his point of order; the minister has made his reply. It seems to me perfectly clear. I think that ought to dispose of the matter.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

Twelfth and thirteenth reports of Standing Committee of Justice and Legal Affairs—Mr. Poulin.

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INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

AUTHORITY FOR STANDING COMMITTEE TO TRAVEL

On the order: Government notices of motions:

That the Standing Committee on Indian Affairs and Northern Development be empowered to adjourn from place to place in Quebec and Ontario on two separate occasions on June 8th to 10th, 1975 and on June 15th to 17th, 1975, or during the summer adjournment of the House, to study economic development on reserves and to inspect some historic sites and parks, and that the necessary supporting staff do accompany the Committee.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 2,099, 2,160, 2,180, 2,445 and 2,452.

Mr. Speaker, if questions No. 1,053, 1,524 and 2,423 could be made orders for return, these returns would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Order Paper Questions

[*Text*]

UIC—CASES HEARD BY ARBITRATION BOARD

Question No. 2,099—**Mr. Laprise:**

For the fiscal year 1973-74, how many cases were heard by the UIC arbitration boards and how many were decided in favour of the beneficiary for the (a) Montreal area (b) Province of Quebec?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Insofar as the Unemployment Insurance Commission is concerned: For the fiscal year 1973-74, 56 cases were heard by the Umpire of the Unemployment Insurance Commission in the Province of Quebec. (a) 7 were decided in favour of the claimant in the Montreal area; (b) 23 were decided in favour of the claimant in the province of Quebec.

UIC—MEDICAL CERTIFICATES

Question No. 2,160—**Mr. Gauthier (Roberval):**

1. What must be the average duration of an applicant's medical certificate to be entitled to the maximum sick pay benefits under UIC?

2. Is the medical certificate to be obtained by the applicant or the Commission?

3. What fees do independent doctors receive for such service?

4. Are independent doctors paid by the Commission and, if so (a) how are they chosen (b) by whom?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Seventeen weeks.

2. By the applicant.

3. The customary fee is that which prevails in the particular province.

4. Yes. (a) and (b) They are recruited by the district offices of the commission subject to acceptance by the senior medical advisor of the commission.

UIC—MATERNITY BENEFITS

Question No. 2,180—**Mr. Herbert:**

1. Are maternity benefits under unemployment insurance payable for a maximum eight weeks before the expected week of confinement?

2. Must a woman file ten weeks prior to the expected date of confinement in order that the mandatory waiting period be served before the specific maternity schedule commences?

3. For a woman living in Ontario earning $185 per week, submitting an individual tax return with standard deductions and entitled to maximum maternity benefits, what is her net after tax gain per week should she voluntarily choose to continue working during the eight week pre-confinement benefit period rather than draw unemployment insurance benefits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Maternity benefits per se are payable from the eighth week prior to the expected week of confinement so long as the waiting period has been served and the claimant is entitled. However, where an incapacity originating from complications of a pregnancy is supported by a medical certificate and occurs prior to this eight week period, the claimant may qualify for sickness benefits up until that eight prior week, at which time, maternity benefits prevail. In any case the maximum payment for maternity or sickness benefit or a combination of the two is 15 weeks.

[Mr. Reid.]

2. The waiting period cannot be served until a claim for benefit is established, and benefits are paid only after the waiting period has been served. A woman who files a claim in the tenth week prior to the expected week of confinement may serve the waiting period prior to the commencement of the specific maternity schedule.

3. The working woman would receive $185 less $31 income tax for a net of $154. The claimant would receive $123 less $16 income tax for a net of $107. The difference between the two is $47. (This information was obtained from DNRT—Source Deduction).

ELECTRICITY EXPORTS TO NORTHEASTERN UNITED STATES

Question No. 2,445—**Mr. Herbert:**

1. Has the Department of External Affairs received any representations from United States concerning the projected Hydro-Quebec high tension power lines which are to carry exported electricity to northeastern United States?

2. Is the location and size of the line subject to formal agreement between the two countries?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): 1. The department has not received representations from the United States on this subject.

2. The location and size of a line for the export of electricity would not normally be the subject of a formal agreement between Canada and the United States. These matters are, however, subject to the authority of regulatory bodies in both countries.

USE OF AIRCRAFT TYPE GAS TURBINE ENGINE FOR NATURAL GAS TRANSMISSION

Question No. 2,452—**Mr. Brisco:**

Are aircraft type engines currently being used by the government or private industry for pumping natural gas in pipelines and (a) if not, is it proposed that aircraft type jet engines be used for such purpose (b) if so, what is the fuel consumption rate per (i) hour (ii) day (iii) week (iv) month of each such engine?

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows: Yes, the aircraft type gas turbine engine has been developed for industrial service. It is currently being used for natural gas transmission in the pipeline industry. (a) Not applicable. (b) The gas turbine engine fuel consumption will depend on several factors, such as the size of the unit, station location, altitude, calorific value of the fuel, operating efficiency, ambient temperature, volume of gas transmitted, etc. However, a typical 30,000 H.P. large aircraft type gas turbine unit will consume natural gas at the rate of about (i) 250,000 cubic feet per hour; (ii) 6,000,000 cubic feet per day; (iii) 45,600,000 cubic feet per week; (iv) 182,400,000 cubic feet per month.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ALCOHOL EDUCATION

Question No. 1,053—**Mr. Firth:**

1. (a) What is the budget allocated to alcohol education in Canada (b) how much of this is spent on alcohol education in the NWT?

2. (a) What is the overall budget for alcohol rehabilitation in Canada (b) how much of this is allocated to the NWT?

3. (a) How many people are employed by both the federal and territorial governments for alcohol rehabilitation programmes in the NWT (b) what are their qualifications (c) how many of these employees are native?

Return tabled.

EXPENDITURES ON MEDICAL RESEARCH, 1971-74

Question No. 1,524—**Mr. Reynolds:**

1. How much money was spent by the government on medical research during 1971, 1972, 1973 and 1974?

2. What organizations received the money and how much did each receive?

Return tabled.

LIP—GRANTS IN CONSTITUENCY OF MONCTON

Question No. 2,423—**Mr. Jones:**

1. For each year 1970 to 1975, what was the total amount granted under the Local Initiatives Programme in the Constituency of Moncton?

2. For the same years, how many project applications were (a) submitted (b) rejected (c) accepted?

3. What are the names of the projects that were (a) accepted (b) rejected?

4. What amount was granted by the government for each such project accepted?

5. How many jobs were created by each such project?

Return tabled.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 47 is acceptable to the government. Mr. Speaker, I ask that all other motions be allowed to stand.

Some hon. Members: Agreed.

COPIES OF CORRESPONDENCE RELATING TO ALLEGATIONS MADE AGAINST SEAFARERS' INTERNATIONAL UNION

Motion No. 47—**Mr. Lawrence:**

That an Order of the House do issue for a copy of the letter or memorandum containing the terms of reference, or other originating documents, directed by the Solicitor General to the Commissioner of RCMP relating to an investigation by RCMP into allegations made against the Seafarers' International Union of Canada.

CNR Pension

Mr. Baldwin: Mr. Speaker, I move the motion on behalf of the hon. member.

Motion agreed to.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED REVIEW OF INADEQUATE ESCALATION OF PENSIONS OF RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise under the provisions of Standing Order 26. My reasons for asking leave to present a motion under that Standing Order are those which I gave when I sought earlier today to move a motion under Standing Order 43, so I will not endeavour to repeat them. Had that motion been accepted by the House, it would not have been necessary to offer a motion at this time.

● (1510)

Accordingly, I ask leave, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), to move the adjournment of the House under Standing Order 26, for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the announcement made recently by the Canadian National Railways to the effect that cost-of-living increases in the pensions of employees who retired prior to January 1, 1973, are to be minimal, and that there are to be no cost-of-living increases at all for those who retired in 1973 and in 1974, in order that this House may make it known to the Canadian National Railways that this announcement is totally unacceptable and should be reviewed forthwith, it being the view of this House that all pensions should be escalated at least by the percentage of the rise in the cost of living.

Mr. Speaker: Pursuant to the terms of Standing Order 26, the hon. member for Winnipeg North Centre (Mr. Knowles) gave notice to the Chair of his intention to move this motion.

While this is a matter of great concern not only to the hon. member for Winnipeg North Centre but to all other members of the House, I have insisted in the past that motions put forward pursuant to Standing Order 26 which seek the setting aside of special hours outside the regular hours of sitting of the House for debate of a subject must concern a subject which has inherent in it some crisis or emergency proportions by which action may be taken as a result of the discussion in the House, that would somehow remedy or improve the situation which has taken on emergency or crisis proportions.

The situation referred to in the hon. member's motion is a matter of great concern. However, I am sure the hon. member is aware it has been a matter of great concern for some time. Perhaps he more ably than other hon. members has taken advantage of a number of the procedures of this House to bring to the attention of the House the problem

of the pensioners involved. Those occasions have presented themselves to the hon. member in the past, and they will equally in their infinite variety present themselves to the hon. member during the course of this and future sessions.

Therefore, on both grounds, first that the matter is one of continuing concern as opposed to emergency proportions and, second, that the hon. member will, I am sure, in common with some of his colleagues take advantage of other opportunities to bring this very serious problem to the attention of the House, I respectfully decline the setting aside of special hours for debate of the motion.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58

House in committee of supply to consider a certain item for the year ending March 31, 1976, pursuant to the provisions of Standing Order 58(9)—Mr. Laniel in the chair.

Industry, Trade and Commerce

Vote 1—Trade-Industrial—Operating expenditures—$67,157,000.

Mr. Sharp: Mr. Chairman, I rise on a point of order. I would like to suggest, and I think I have the agreement of the representatives of the other parties, that in our proceedings in committee today we might follow the precedent that was established when my colleague, the Minister of Transport, was before this committee on his estimates, namely, that the discussion should be divided into 15 minute intervals during which a member can either use the whole of the time for speaking, or part for speaking and part for questioning, and that the minister at the conclusion would have an interval of approximately that time to conclude the discussion. I think these are the general principles that we found quite useful during the previous discussions when the Minister of Transport's estimates were before the committee.

Mr. Baldwin: Mr. Chairman, what the government House leader said at first is quite agreeable, but because of the shortness of the time I raise the question of summing up, unless there is an insistence on it, and even then I would not be too happy about it, because we will want to get in as many members as possible. I imagine the minister will be answering all the questions of those who are speaking. He will have every opportunity to do that. In order that all members may have a chance to participate, including members on the government side, I suggest that we eliminate both the closing statement of the minister and the closing statement of the first speaker who moved the motion.

[Mr. Speaker.]

Mr. Sharp: Mr. Chairman, I think it really depends on how the discussion goes in committee. If there are a series of speeches without an opportunity for the minister to reply to them, I think we should be prepared to allow some flexibility. I know my colleague is more anxious to get his estimates approved than he is to speak.

The Chairman: Order, please. Hon. members of the committee have heard the suggestion made by the President of the Privy Council which seems to be approved with the explanation made by the hon. member for Peace River. Is it agreed that we proceed in this way?

Some hon. Members: Agreed.

Mr. Hees: Mr. Chairman, with unemployment holding at well above 7 per cent of the work force, and giving clear indications of rising considerably above that figure as the year goes on, it is the responsibility of those of us who sit in parliament to examine the causes of the economic stagnation we are experiencing, and make positive suggestions for correcting it.

The basic reason for the slowing down of the economy has been the steady decrease in the volume of exports and the increase in the volume of imports that have been taking place during the past 18 months. The prices of our products have steadily become less competitive with those quoted by other countries, and the quality and design of our products have not been good enough to overcome this disadvantage.

During the month of April this deteriorating situation was temporarily halted by the erosion of the value of the Canadian dollar, which has, during this short period, made our exports more attractive in price, and imports from other countries less attractive in the Canadian market. However, this temporary help cannot be counted on to last for very long, and the dollar has already risen well above the level to which it dropped a couple of weeks ago. Therefore we must look for other remedies to correct our sick economy, and I suggest we examine three main approaches: first, increasing productivity; second, increasing industrial research and development; and third, lowering unit labour costs.

● (1520)

Taking a look at productivity we find that during the 28 years since 1947, when the government first started to measure it on an annual basis, industrial productivity in Canada has increased at an average annual rate of 3.2 per cent a year. Examining our performance since 1970, we find that in 1971 productivity increased by 3 per cent over 1970, or slightly below the average rate; in 1972 the increase was reduced to 2.6 per cent, in 1973 to 1.5 per cent, and in 1974 there was an actual loss of one half of one per cent. The present indication is that the slide will continue at about the same pace during the present year.

What can be done to increase productivity and thereby help make our products more competitive? To do so we must offer incentives which will persuade producers that they will be able to pay for the new plant, machinery, and production systems they will have to buy, in a reasonably short space of time, and in this way make it as easy as possible for them to meet the high expenditures usually

involved. The kind of incentive I have in mind would be one whereby (1) all capital expenditures may be written off in the period decided upon by the plant owner; (2) a plant would be rewarded in the form of a generous cash bonus at the end of the year in proportion to its increase in productivity during the year, compared to the base year—the last full year before the plan goes into operation.

This form of incentive has been very effective in increasing productivity in such countries as Japan and West Germany where spectacular results have been achieved since the end of the second world war. There is no reason why such an incentive would be any less successful in this country.

In addition to price, we know very well that quality and design are also very important in making our products competitive. It is obvious that we must spend at least as high a proportion of our GNP on research and development as our chief competitors do, if we are to hold our own in this important field. To see how we have been doing in this regard as compared to our major industrial competitors, we should look at the latest figures published by the OECD. These show what percentage of its GNP each of these countries spends on research and development. The figures are as follows: United States 2.8 per cent; United Kingdom 2.4 per cent; France 1.9 per cent; West Germany 1.7 per cent; Japan 1.5 per cent; Canada 1.3 per cent. It is obvious that we have been doing badly in comparison to our major competitors in this regard.

To capture new markets which are looking for new and better designed products, and to reduce costs and become more competitive, it is obvious that we must carry out a great deal more research and development in this country. To bring this about we should allow industry to write off 200 per cent of the cost of current and capital expenditures on research and development in excess of those made in the base year—the last full year before the program is introduced. In addition to writing off the full cost in one year, it will put a considerable cash reward in the pocket of a company undertaking the research.

The kind of program I have outlined has been successful in significantly increasing the volume of industrial research in countries where it has been introduced, and will prove equally effective in Canada.

Finally, what can we do, in addition to increasing productivity, to reduce the labour cost of the products we must sell? There is a great deal of business which Canadian companies are unable to compete for because of low labour costs in the foreign countries where the products are made. If Canadian companies are to be able to compete for a good proportion of this business, and thereby obtain additional employment for Canadians, they must have an incentive which will enable them to reduce their labour costs on this potential new business to a level where they are within striking distance of these low foreign rates. Then, by accepting a lower than normal margin of profit on this extra business in order to get started, they can compete for these orders and stand a good chance of obtaining a reasonable proportion of them. What kind of incentive will do the job?

The government should say to all business—not just manufacturers and processors—that it will reward overall increases in employment during the year by way of an employment incentive which will be paid in direct proportion to the increases that are made. It is simply a matter of comparing the total number of man-years of employment by a company in the tax year under consideration with the last full year before the plan is put into operation—which will be the base year. The employment incentive would be paid in proportion to the increase in employment and the general wage level of the plant concerned, and the company will thus be able to calculate well in advance just what amounts of money it would receive for various increases in employment. This will enable Canadian businessmen to calculate in advance how much their labour costs would be reduced on additional business which the employment incentive would make it possible for them to go after. All such business obtained in this way will be a net gain for Canadian employment.

The three incentives which I have outlined will pay for themselves many times over in the years ahead, in the following ways: (1) We can drastically cut the present far too high expenditure on unemployment insurance by stimulating the economy and enabling people to find work. The potential in this regard is at least $1.5 billion of the $3 billion a year which we are at present paying out in unemployment insurance payments. (2) We can greatly increase tax revenues, because (a) more people will be working and paying income taxes; (b) more commodities will be sold, and will be paying additional commodity taxes, and (c) the increased volume of business will lower unit costs of production, and make available more profits to tax.

● (1530)

I think it is obvious that the government has shown great negligence in allowing our export trade to deteriorate seriously during the past 18 months without introducing the measures which were available to it for re-establishing the competitiveness of our products. It is equally obvious that the minister must take the primary responsibility for this sorry state of affairs, and has in no way justified the salary he is being paid as a minister.

I therefore move:

That Vote 1 of the Department of Industry, Trade and Commerce be reduced from $67,157,000 to $67,137,000.

Mr. Gillespie: Mr. Chairman, I rise on a point of order. I wonder whether you would explain the rules of this debate in terms of the minister's time to ask questions or to respond to each speaker within the 15 minutes arrangement that has already been made.

The Chairman: My understanding is that each member is entitled to 15 minutes and has the right to take his whole 15 minutes without allowing time for the minister to reply. This is why there might be 10 or 15 minutes at the end, so that if the minister feels he needs that time to reply to some of the questions raised, or arguments put forward by members which he did not have the chance to reply to within the 15 minutes allowed all hon. members, he can do so.

Mr. Gillespie: You recognize, Mr. Chairman, that if every member takes his full 15 minutes it will be impossible for the minister to reply during his 15 minutes at the end to all the points raised. It is my impression, based on

previous practice, that the minister has an opportunity following each statement either to make a very brief statement himself—and I mean brief—or to put a question for clarification purposes. In the case of the hon. member for Prince Edward-Hastings, he has referred to a number of interesting ideas and, quite frankly, I should like him to give the House an elaboration, particularly regarding one idea he put forward.

Mr. Hees: Mr. Chairman, on the point of order raised by the minister, the rules provide that each member may speak for 15 minutes. He can use this time to make a speech or to ask questions and receive answers. I have taken my 15 minutes to make a speech because I had some very valuable ideas to put before the minister. I suggest, Mr. Chairman, that the logical procedure would be that if the minister, as in any other debate, wants to say something about the ideas that are put forward by members on this side, then he should take one of the 15 minute slots provided to the government side, at whatever time he likes to do so, and use it as the 15 minutes allotted to him. As I understand it, the official opposition, on the proportion of time available, will get about four time slots, the Liberal party four time slots, and the other parties one or perhaps two. If the minister wants to take 15 minutes away from one of his own members, that is fine.

Mr. Gillespie: Let us be clear on this point, Mr. Chairman. These are my estimates. I have been asked by the House to defend these estimates and to answer the various points raised by hon. members. The hon. member from Prince Edward-Hastings has moved an amendment. It would be quite impossible for me to answer all of the various points that will be raised during this afternoon's debate if I am limited to 15 minutes at the end of the day. I ask for the indulgence of the committee that I at least be permitted to respond very briefly to each statement. I would think that is the practice of the House, and I should be recognized for that purpose when I stand following a speech such as the one made by the hon. member for Prince Edward-Hastings.

Mr. Hees: On the point of order, the rules we are following were established—

The Chairman: Order, please. Perhaps we should hear the hon. member for Winnipeg North Centre at this point; I will return to the hon. member for Prince Edward-Hastings.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, instead of spending a large chunk of the afternoon arguing over a point of order, why don't we follow the procedure laid down on the suggestion of the President of the Privy Council, on which you received the sense of the House, and that is that each member has 15 minutes to use as he wishes? The minister may say that these are his estimates, but this is an opposition day.

[*Translation*]

Mr. Fortin: Mr. Chairman, I rise on a point of order.

The Chairman: The hon. member for Lotbinière on a point of order.

[Mr. Gillespie.]

Mr. Fortin: Mr. Chairman, I fully agree with the hon. member for Winnipeg North Centre (Mr. Knowles), and I do not see why today we should adopt a procedure different from that which was adopted under the procedures themselves.

[*English*]

The Chairman: There has been an agreement made. If the minister wishes to seek the floor at this time, he will be using his 15 minutes. If he wishes to seek the floor a second time, it will be after other members from the government side who wish to speak. That is in accordance with the agreement made for the debate on the transport estimates. In any case I feel that the minister should give it a try, and perhaps he can raise his point of order later since we are losing valuable time at this point. The minister cannot speak now without using up his 15 minutes. He could do so by unanimous consent, but there is no unanimous consent.

[*Translation*]

Mr. Olivier: Mr. Chairman, I rise on a point of order.

The Chairman: Order. Before I recognize the hon. member on a point of order, I would like to read the proposal put forward by the hon. member for Prince Edward-Hastings (Mr. Hees).

[*English*]

It is moved by the hon. member for Prince Edward-Hastings:

That Vote 1 of the Department of Industry, Trade and Commerce be reduced from $67,157,000 to $67,137,000.

Mr. Gillespie: Mr. Chairman, I do not intend to prolong this procedural question. I just want to say that it was not my understanding that the minister would not be permitted to ask a question or to make a very brief reply. The second point I want to make on the point of order is that the hon. member for Prince Edward-Hastings knows that I have a senior and strong delegation from the U.S.S.R. in the city at the present time, and that I am in the middle of a mixed commission meeting with them. I have had to leave that mixed commission meeting. I shall have to leave the debate this afternoon at about four o'clock, but I shall return at very close to five o'clock. All I am saying is that this was known to the hon. member for Prince Edward-Hastings—

Mr. Hees: That is right.

Mr. Gillespie: —and that it does seem to me that my rights as minister to defend my department have been seriously circumscribed.

The Chairman: Order. The minister can only blame himself because he was party to the agreement that was made.

[*Translation*]

Mr. Olivier: Mr. Chairman, I rise on a point of order.

The Chairman: The hon. member for Longueuil on a point of order.

Mr. Olivier: Mr. Chairman, I do not accept at all the principle that the 15 minutes can be transferred to govern-

ment or other members. Nobody in this House has the authority to transfer time accruing to each member, and I do not accept at all that procedure.

The Chairman: In any case, the hon. member for Longueuil was also present when the agreement was reached, and it was unanimously agreed that each member would be entitled to 15 minutes to use as he wishes, either to make a speech or put questions to the minister. Then, the minister may be recognized at any time, if he wishes to use his 15 minutes—he is in his right—whether he uses his time at the end of the debate is his decision.

[*English*]

Mr. Saltsman: Mr. Chairman, I am prepared to grant the minister the indulgence he wants so as to give him the opportunity of speaking, providing it is understood that he replies to the questions I am going to raise rather than to those of the hon. member for Prince Edward-Hastings.

I would tend to support the motion moved by the hon. member for Prince Edward-Hastings if it were made retroactive, because I think that just about every minister of industry, trade and commerce that we have had in this country has been derelict in his duty. I do not know whether this is the fault of the minister we have had at any particular time or whether it is because of the advice the minister gets from his departmental officials, but I rather suspect that it is because of the advice he gets from his department. In any event, it is not our job to question that or know about it. After all, it is the minister who is held responsible in this House.

● (1540)

Wherever ministers have been getting their advice on economic and industrial policy in Canada it has been terrible, and almost invariably policy has been based on continentalism all the way through. Whenever we talk about productivity or the rationalization of industry, it is always rationalization with the United States.

The chickens are now coming home to roost. Up until recently, when the United States was fighting a war, there were tremendous demands by the United States for all kinds of products Americans could not produce themselves, so the problems in respect of foreign ownership and their consequence on our productivity were obscured. Now the United States is in a recession, and fortunately for humanity's sake the war is over. We are now beginning to see the consequences of foreign ownership in this country.

I should like to point to one industry, although I could point to many, to show that the effect of foreign ownership has not been a Machiavellian scheme to brainwash us or change our culture, but has been one of giving us an incredibly inefficient industrial structure. We see this everywhere we look; whether it is in respect of chemicals, rubber or electronics, the intrusion of foreign ownership in this country has prevented Canada from living up to its potential.

There seems to have been some kind of reverse alchemy at work which, in this country with all its advantages, natural resources, people and energy, has turned our gold into dust. They have reversed the process. We would have been better off without a Department of Industry, Trade and Commerce than having one that has led us into continentalism, whether in respect of the Canada-U.S. auto agreement or the rubber industry. We are now beginning to see what happens.

Most of us have received a petition from the Canadian rubber workers asking us to support increases in tariffs. This industry is in danger of going under. It is not as though the minister was not warned about the consequences of the situation. For years it has been pointed out that this kind of attitude on the part of the Department of Industry, Trade and Commerce, with lack of coordination of regional development policy, foreign ownership legislation, and combines legislation, would lead to an incredibly inefficient rubber industry, almost totally foreign owned and inefficient compared to that of the United States.

The argument has always been that we have overcome this kind of inefficiency by low wage rates in Canada. Traditionally this is what we have done; we have overcome the inefficient structure of certain industries by paying our workers less than those in the United States. This cannot go on forever. The wages of our workers are now approaching those of workers in the United States, but our industrial productivity is not approaching that of the United States, and that is why the cry goes up that our workers are getting too much and are asking for too much. The fact is that they are not getting too much and they are not asking for more than their U.S. counterparts who are doing less work. But our industry is certainly not as effective as industry in the United States.

At the time we brought Michelin into Canada there was a warning that the rubber makers in this country would ask for tariff concessions. They got those tariff concessions to rationalize continentalism. The result is that production is being shifted to the United States. That is the consequence of branch plant economies. The minute problems develop in one country where the corporation originates the branch plant, that part of the world suffers, and we are paying the price of being a branch plant economy with this production shift to the United States. In spite of every give-away the Minister of Finance has been able to put forward, including concessions in the way of corporate taxes and write-offs to offset the DISC program in the United States, this production is being shifted out of the country.

There are many things that could be said and that I would like to say, but 15 minutes is not enough time in which to vent my anger about the insane policies pursued by the government. I do not think 15 minutes will be enough time for the minister to reply or to explain away generations of incompetence in the Department of Industry, Trade and Commerce in directing industrial forces in this country. He is not going to have 15 minutes, but whatever time he has will not be long enough to accomplish that.

Since the minister has asked us to pose specific questions, perhaps he will have the courtesy to listen to those I wish to ask. The minister has said on many occasions that there is no such thing as industrial strategy. He laughs at the idea of an over-all industrial strategy. Instead of that he says we have sectoral strategy—we have specific strategies for specific industries. In view of the enormous layoffs in the rubber industry and the demands by workers in that industry for some tariff protection, will the minister

tell the House today what is the strategy of his department regarding the rubber industry, and what he intends to do about providing jobs in that industry?

Mr. Gillespie: Mr. Chairman, the hon. member for Waterloo-Cambridge is perfectly correct when he says I do not believe it is possible to devise and tailor a great big blueprint which might be called an industrial strategy for Canada. Indeed, I believe, as the government does, that the right way is to deal with each industry on a case by case basis. Each industry has particular requirements, particular constraints, particular opportunities, particular weaknesses and particular strengths.

In respect of the tire industry, my department has already entered into discussions with Canadian tire manufacturers, which the hon. member was quite accurate in describing as being largely if not completely foreign controlled. These companies have in the past seen their strategy in terms of North American strategy. What we are anxious to do is work with them to develop a rationalization and a more modern industry that will operate in terms of an optimum scale rather than with some rather small plants as at the present time.

The present situation is the result of a number of factors, partly related to the automobile industry itself. That is to say, the industry is suffering a very significant depression at the present time. The present situation is partly related to the fact that the Canadian tire manufacturers have not moved as rapidly as their parent companies toward radial tires. At the present time I think some 75 per cent of all tires going on new commercial or passenger vehicles are radial. There is not a capacity for radial tires here at the present time. I am told that a number of manufacturers have already started quite significant investment plans to modernize or convert their plants to radial tires.

The other reason for unemployment is that there is a heavy inventory of non-radial tires, which has to be seen in conjunction with the condition of the automobile industry at the present time. I would hope that by putting this particular industry on an industrialized and rational basis we will be able to work out with them a more efficient industry which will have a Canadian perspective rather than the kind of perspective it has had in the past, which is part of the North American strategy and has a "made in U.S." label on it.

Mr. Saltsman: I hope the minister realizes the damning nature of some of the things he has said. He has said that, given the recession which is taking place and the change in demand now for radial tires, the bulk of the investment and the first production has been in the United States while Canadians are being asked to work off the inventories of non-radial tires. We are supposed to take the brunt of this technological change. I suggest this is the result of branch plant economy. I am not suggesting it is unnatural for the United States to behave in this way. Their first interest is in the United States just as our first interest is in Canada. They are naturally going to look after their problems in the United States before they look after our problems in Canada.

I am encouraged to some extent by what the minister has said in that it would indicate he is at least aware of the problem. Up until now there has been a tendency to laugh and suggest that we are always talking about foreign ownership, blowing its consequences out of all proportion. There has been a tendency to say this has nothing to do with our problems, and that the best solution is to rationalize on the basis of continentalism. Apparently now there is at least some awareness of the situation.

How is the minister going to enforce on foreign corporations his suggested program for rationalization in Canada? What specifically is the minister proposing to these companies, and what kind of assurances and protections are being looked into in order to see that this kind of thing does not happen again where, when there is a problem, the United States looks after itself first, and then we are used as the overflow to catch up if there is any kind of a shortfall in their production?

● (1550)

Mr. Gillespie: I think the first point which should be made is that nothing will happen in the industry unless the industry itself sees there is a problem; that is, unless the Canadian industry sees that it is losing out relative to the tire industry of other countries. That is the first point with which we must deal. The second point is that it must be in their interest to invest in Canada because there is no way I know that the government can force them to invest. Clearly it must be in their interest. They have to decide that the market is growing and that there is an opportunity for them.

I think the third point is to make them aware of the problems that are likely to be realized if the industry continues to have as many separate plants as it presently has. I think that with the degree of scale that is now required, for every tire manufactured we will probably require fewer rather than more tire manufacturing companies in Canada. I think very likely there may be incentive programs already within my department which could assist them in this rationalization. The fourth lever I would suggest to the hon. member is the moral suasion lever. I think sometimes this probably is underestimated. I think most of the individuals managing these companies in Canada want to see their industry developed in tune with Canada's needs.

Mr. Saltsman: Mr. Chairman, the minister is not a naive person. I do not accuse him of being one, but what he is saying is absolutely incredible. He is saying that the government is not directly interested in this matter beyond moral suasion, and will depend on the companies and on the instinct of this industry to do it.

I am not questioning the good instincts of businessmen or their desire to be good Canadians. I am sure that is true. What I am questioning is their ability. They are locked into an archaic system from which they cannot break out.

Unless the Canadian government is prepared to move in and do something, then nothing will be done. How do you expect people who are competing with each other internationally in the rubber and tire industry, suddenly to get together in Canada and work out a system which is in the national interest? Surely this is a time when, much as we may be concerned about the particular interest of a company, we must be far more concerned about the national

interest, and the only one who is in a position to determine that, and act on behalf of the people and make it stick, is the minister himself, and not some well intentioned president of a rubber company.

Mr. Gillespie: I can only take it that the hon. member is suggesting that the Canadian government nationalize this industry—

Mr. Saltsman: I just say "do something".

Mr. Gillespie: —that it acquire all the existing companies, nationalize them, and then tell its own industry where it should go. This is not the philosophy or approach of this government. Our approach is to work with private industry and show it that it is in its interest that what it does will be in the national interest, and therefore it will be in our interest. I think we have been successful in this and in other areas in this regard.

[*Translation*]

Mr. Fortin: Mr. Chairman, since the minister seems to be in such high spirits this afternoon, I should like to give him the opportunity to show his mettle and ask him a few questions dealing with the textile and clothing as well as the furniture industry.

As the minister knows, both are major industries in our country, and especially in eastern Canada. The companies involved employ a large number of workers and they are faced with problems because of foreign competition. It is basically not a matter of dumping, but a matter of competition which companies find extremely difficult to face.

Moreover, if you talk with union leaders not of strike but of production, of satisfaction with working conditions, of the future of that industry, they will complain that they have no say when discussions are held. When I meet with the owners of furniture or textile plants, and there are several in my riding, they complain of not knowing exactly what is the overall policy of Canada with respect to textile or furniture.

On the other hand, the Prime Minister (Mr. Trudeau), as I told the minister in the House this week, sent a letter recently to a mayor from the St. Maurice Valley stating that the federal government was about to introduce an overall textile and clothing policy for Canada. To complete my question, the minister is aware of imports of some polyester and cotton fibres and other kinds of fibres from the Republics of Korea and Taiwan and a number of other countries, and the Textile Board was ordered to inquire into those imports. The results of those inquiries are in fact strictly provisional, but then again are not meant to pave the way for only an employment protection policy which has already been implemented in Canada, but also an overall policy designed to give the economy of those industries a new impetus.

I would therefore like the minister to tell me first of all if his department now has the required data to implement an overall policy on textile as well as clothing and furniture. Is his department aware of the situation in those plants? Is it aware of the fact that almost 50 per cent of the Quebec market is under the control of foreign markets in those areas of industry and trade. Finally, I ask the minister when he intends to announce an overall policy in this respect. As I said at the outset, those industries are the backbone of our economy, especially our Quebec economy. If they were to disappear, I believe we would have two or three times the current unemployment rate.

I am very much concerned about the future of these industries, remembering what happened with the shoemaking industry. The government acted there, but when that industry had disappeared. Therefore, my question is quite clear. Although it deals with complex and elaborate problems, I would give the minister the time to bring forward am answer hopefully encouraging not only to the owners of these industries, but also to the workers who, although intent on staying on the job, are extremely concerned about the future.

[*English*]

Mr. Gillespie: Mr. Chairman, a great deal of work was done by my predecessor in respect of the textile policy for Canada. That work was done with the representatives of the unions and with the representatives of the companies in the textile industry. It took place over a period of probably two years. The background to that policy at that time was the fact that there was a real threat from the low wage countries of the world.

The textile industry, if we go back to about 1970 when the present textile policy had its beginning, was an industry which was characterized with all the typical features of a declining industry. Employment had been going down, wages were very low, and imports were increasing as a percentage of the domestic market. Many of the plants were rather old fashioned, many had not received any new equipment because of the declining situation. In many cases, managements were out of touch. They had not introduced new measures. Very little had been done with respect to design and fashion, and no real effort had been made to look at the export markets of the world because of the considerable defensive position of the industry toward imports.

● (1600)

The textile policy was announced in 1970 with the legislation which provided for the Textile and Clothing Board. The basic elements of the textile policy, which is now in place, are to provide an incentive to companies to modernize and make themselves internationally competitive. The instrument for that was the Textile and Clothing Board. The employers and producers have the option of going to the board and seeking support for various kinds of restraints which would be negotiated with the low cost countries—voluntary quotas, if you like—and the assistance of the Export and Import Permits Act supports this policy.

A considerable amount of investment took place as a result of that policy, and for the first time employment started to rise, not decline, and wage levels came up a little. I will not argue that wage levels in this industry approach the national average in manufacturing; I think they are still significantly lower, but they improved and the outlook improved.

Various other steps were taken to assist those who might be laid off as a result of the rationalization of

smaller units into larger units. The background to all that was the low cost import.

Today the situation is quite different. It is still a situation where the low cost import can provide a considerable downward pressure on the Canadian market in terms of price, to some extent in terms of pre-empting part of the Canadian market, but it is not nearly the problem it was, relatively speaking, back in the early 1970's.

The real problem today is that industrial activity in the textile industry in Canada is down because the market is down. It is down because the distributing trades, the retailers and wholesalers, have been cutting their inventories, and so they have not been placing their orders with their regular Canadian suppliers. That situation has been aggravated by imports from abroad, not just from the low cost countries but as well from the industrial countries, such as the United States. That is a significant change in the situation.

We have introduced a large number of measures. We have put many of these products, in fact most, on the import control list to ensure that we have precise and up to date information on imports wherever those imports may come from. I have had a number of discussions with the industry's representatives, both labour and management, with respect to the state of their industry and their outlook for it. We have negotiated restraints, voluntary quotas if you like, with the countries of origin of many of these products.

So far as the textile industry is concerned, the situation in the short term at present reflects market conditions in the world and in Canada. I think the long term outlook for the industry is still strong and I expect the industry to pick up and to continue to grow. Indeed a number of textile manufacturers are making significant investments to the tune of $40 million and $50 million.

[*Translation*]

Mr. Fortin: Mr. Chairman, before my time is expired, I would like to tell the minister about one disappointment. I hope it will not be ignored, but will produce positive results. One of the departments where communications and information are most important, as far as business is concerned, is Industry, Trade and Commerce. It has a particularly high number of complex branches and programs. Industry owners I know in Victoriaville, Princeville, Daveluyville, Warwick, Sainte-Croix are unanimous.

In other parts of Quebec also, I hear the same questions. Everytime I speak with those people, I am asked whether Industry, Trade and Commerce would not do such and such a thing, whether it could not help them know foreign markets so they can export. Can they be told what products are made in other countries?

Of course, this extremely important and worthwhile information comes from the Department of Industry, Trade and Commerce. I believe, Mr. Chairman, and I submit very humbly and very respectfully to the minister that there is certainly a gap in the information on the various programs available. This valuable and essential information which our constituent and especially the owners of these plants, need to develop their business has to be made available in our constituencies.

[Mr. Gillespie.]

Mr. Chairman, I would like the minister to tell me whether he his aware of this root problem? I know that his departmental officials have this information, but if we put ouselves in the shoes of the businessman who can hardly manage to run his business, we find that he does not have the time to learn all about these various programs which are sometimes good and sometimes not so good, but which are always extremely important.

I am also well aware that by writing to the minister, we can obtain material such as the hon. member is now showing to me, but sending this material to the constituents involved does not necessarily solve the problem.

I should like to know not only what efforts the minister intends to make to publish information on those various programs, since this material already exists, but whether he intends to increase his staff or to improve his communication system so that the businessman may obtain everything he needs either to diversify his products or to promote the export of his production to other countries or to improve his own production in his own plant? I believe, Mr. Chairman, that I represent a highly industrialized constituency and that all my constituents have some grievances have some grievances or requests to make in this connection.

My question is very simple: Is the minister aware of this problem? Does he want the people to benefit as much as possible from the various programs of his department, and what efforts does he intend to make in this regard?

[*English*]

Mr. Gillespie: Yes, Mr. Chairman, we certainly do. I agree with the hon. member when he says that it is sometimes difficult to sort out which particular program might be of assistance to a manufacturer or exporter.

We have a large variety of programs. For example, on the design side we have the Industrial Design Assistance Program on a cost sharing basis which assists, for example, furniture manufacturers to build or design new units. We have Fashion Canada which helps textile manufacturers on the design side. We have the GAAB Board which helps industries to restructure themselves. We have the Productivity Improvement Program, again on a cost sharing basis, which is aimed at assisting the management of these firms to improve their productivity and to make them more competitive. We have a program for the export market development which is aimed at assisting the self-starter manufacturer to find new markets abroad. Again it is on a 50-50 cost sharing basis. I would be very pleased to provide the hon. member with this information. Perhaps that would be the easiest way of satisfying him on this point.

[*Translation*]

Mr. Fortin: I think that the minister has not fully grasped my question. I am well aware of these different programs. However, I am not in a position to inform each and everyone of these industrialists, because I am not an expert in each of the fields concerned. What I am asking the minister, is what means he uses to ensure that such information be truly and well used by the industrialists. Can the minister dispatch a few of his officials to visit on location one of these furniture manufacturing plants, either Victoriaville Furniture, or Fonderie Sainte-Croix,

which is one of the most important Canadian foundries and which is precisely in need of advice to diversify its production, in Canada as well as abroad?

Has the minister such services at his disposal to vulgarize and explain to the common folk the multitude of documents with which I am well acquainted? But not being an industrialist, I cannot explain all the aspects of each of these programs to the industrialists in my constituency. Can the minister, within his own department, intensify or even increase the number of experts to visit industrialists and encourage them not only to expand but also diversify and improve their production?

● (1610)

[*English*]

Mr. Gillespie: It is very intensive—

The Deputy Chairman: Order, please. I regret to interrupt the minister but the time allotted to the hon. member has now expired.

Mr. Herbert: Mr. Chairman, in my remarks pertaining to the estimates of the Department of Industry, Trade and Commerce, and as the minister has to leave temporarily on important business, I should like to review the responsibilities of this department with particular reference to the federal government and export trade.

The Canadian economy continues to be vitally dependent on international trade. Canadian exports of goods and services now account for about 25 per cent of gross national expenditure at market prices. The share of export trade in total national income has increased steadily since 1959 when it represented about 18 per cent of all goods and services produced in Canada. The Canadian economy, therefore, is becoming increasingly dependent, and therefore vulnerable, to fluctuations in external demand.

With the current economic slowdown in most major industrialized countries, international competition is intense, and increased exports are not easily achieved. A successful Canadian export trade can be assured by combining good products, efficient production, and aggressive, intelligent marketing, with government support.

Federal government support is provided mainly through the Department of Industry, Trade and Commerce and the Export Development Corporation. ITC assists Canadian industry from research, design and development through the production and marketing of the finished product. The EDC provides insurance, guarantees, loans and other financial facilities to assist Canadian exporters. The EDC is a Crown agency which reports to parliament through the Minister of Industry, Trade and Commerce.

In addition to ITC and EDC, there are numerous other federal government organizations that are involved in Canadian export trade. Many of these other organizations are responsible to different ministries, and I want to make reference to this again before I close.

The Department of Industry, Trade and Commerce was established in 1969 as a result of the merger of the departments of trade and commerce and of industry. The department has the responsibility for stimulating the establishment, growth and efficiency of the manufacturing, processing and tourist industries in Canada and the development of export trade and external trade policies. With respect to export trade specifically, responsibility lies with the senior assistant deputy minister of international trade.

Under the ADM of international are the ADM Export Development, Trade Commissioner Services, and the ADM International Trade Relations. Departmental units involved in international trade within ITC are the office of general relations, office of special import policy, export and import permits branch, the international bureaux, trade commissioner service, office of international special projects, financing and aid branch, grain marketing office, transportation services branch, fairs and missions branch, and the program office (export market development) which handles the administration of the program for export market development.

The Department of Industry, Trade and Commerce's functions include: improving access of Canadian goods and services into external markets through trade negotiations; contributing to the improvement of world trading conditions; providing support services for industrial and trade development, including information, import analysis and tariff services; analysing the implications for Canadian industry, trade and commerce and for tourism of government policies related thereto in order to contribute to the formulation and review of those policies; and compiling and updating detailed information on trends and developments in Canada and abroad related to the manufacturing and processing and tourist industries.

The department operates eight regional offices located across Canada, and the trade commissioner service which has 82 trade offices in 57 countries. The minister also reports to parliament on behalf of Statistics Canada and the Export Development Corporation.

Boards and other organizations reporting to the minister are the General Adjustment Assistance Board, the Machinery and Equipment Advisory Board, the Pharmaceutical Industry Development Advisory Committee, the National Design Council, the Standards Council of Canada, the Textile and Clothing Board, the Preparatory Commission for Metric Conversion, and the minister's advisory council.

The Export Development Corporation, a Crown corporation, reports to parliament through the Minister of Industry, Trade and Commerce and is empowered by federal statute to encourage, facilitate, and develop Canadian export trade by providing credit insurance, guarantees, loans and other financial assistance to enable Canadian exporters to meet international competition. The EDC, which succeeded the Export Credits Insurance Corporation in 1969, has its head office in Ottawa and district offices in Montreal, Toronto and Vancouver. Direction of the affairs of the corporation is vested in a 12 member board.

The main functions of EDC are to insure the Canadian exporter against non-payment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving goods or technical services but also those involving invisible exports such as managerial services, advertising programs, the licensing or sale of patents,

trademarks, copyrights, etc. Its functions are also to issue appropriate guarantees to chartered banks or to any person providing non-recourse supplier financing in respect of an export sale. Guarantees may also be issued in connection with a loan made to a foreign buyer for the pruchase of Canadian goods and services.

It also finances foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and are not available from commercial lenders. Major engineering and other technical services—but not feasibility studies—may be financed, even when such sales are not related to the export of goods. It also has a function to insure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution, or the inability to repatriate capital or earnings.

The General Adjustment Assistance Board administers the general adjustment assistance program. The program helps manufacturers take advantage of export opportunities arising from the Kennedy Round; assists manufacturers of textiles, clothing goods or footwear to improve their competitive position in domestic or export markets; and aids those who have been injured, or threatened with injury, as a result of Kennedy Round reductions of Canadian tariffs. Financial assistance is also made available in the form of government insurance on loans, direct loans and grants to manufacturers for restructuring projects necessitated by tariff changes. The board has members representing both private industry and government, and reports to the Minister of Industry, Trade and Commerce.

Mr. Knowles (Winnipeg North Centre): Tell us about the metric commission too.

Mr. Herbert: The objectives of the Standards Council of Canada are to foster and promote voluntary standardization in fields relating to the construction, manufacture, production, quality, performance and safety of buildings, structures, manufactured articles and products and other goods, including components thereof, not expressely provided for by law, as a means of advancing the national economy, benefiting the health, safety and welfare of the public, assisting and protecting consumers, facilitating domestic and international trade and furthering international co-operation in the field of standards.

● (1620)

A comprehensive statistical service on Canada's external trade is available from Statistics Canada, formerly the Dominion Bureau of Statistics. In addition to broad quantitative data published in monthly, quarterly, and annual reports covering import and export trade by commodities and countries, Statistics Canada offers a service of special tabulations of unpublished data in a variety of combinations to meet almost any specific need for export or import figures. The administrative head of the bureau is the Chief Statistician of Canada, who has the rank of a deputy head of a department and reports to parliament through the Minister of Industry, Trade and Commerce.

Other federal government organizations and related agencies with involvement in Canadian export trade include the Agricultural Products Board, the Bank of Canada, Canadian Development Corporation, Canadian Grain Commission, Canadian International Development Agency, Canadian International Development Board, Canadian Transport Commission, Canadian Wheat Board, Crown Assets Disposal Corporation, Department of Communications, Department of External Affairs, Department of Finance, Department of National Revenue, Freshwater Fish Marketing Corporation, National Energy Board and National Farm Products Marketing Council.

In addition to the foregoing, other federal government organizations and related agencies with indirect or peripheral involvement in Canadian export trade include Air Canada, Atomic Energy of Canada Limited, Canadian Film Development Corporation, Canadian Government Specifications Board, Canadian Overseas Telecommunication Corporation, Canadian Patents and Development Ltd., Defence Construction Ltd., Industrial Development Bank, Inter-American Development Bank (Canadian Section), International Development Research Centre, Machinery and Equipment Advisory Board, Ministry of State for Science and Technology, (Bilateral Co-operation Division), National Design Council, Post Office Department, Preparatory Commission for Metric Conversion, Metric Commission, Tariff Board, Telesat Canada, Textile and Clothing Board, Uranium Canada Ltd., and the Interdepartmental Committee on External Relations.

Mr. Baker (Grenville-Carleton): I think the parliamentary secretary is asleep.

Mr. Herbert: The Canadian economy is extremely sensitive to fluctuations in international demand for Canadian exports. A successful Canadian export trade can only be assured by combining efficient production and marketing together with government support.

[*Translation*]

Mr. Clermont: I rise on a question of privilege, Mr. Chairman.

The Deputy Chairman: I recognize the hon. Parliamentary Secretary to the Minister of Industry, Trade and Commerce.

Mr. Clermont: Mr. Chairman, an hon. member said that I was taking a nap. I strongly protest against such an insinuation. I know the member represents Grenville Carleton and he is Mr. Baker.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Chairman, I apologize to the hon. member. I accept that he was not asleep. It was just that from the position of his downcast eyes it looked as if he was asleep. I do apologize.

[*Translation*]

Mr. Clermont: Mr. Chairman, I have yet to see a member of the House read a document with his eyes on the ceiling. It so happens that reading one was exactly what I was doing.

[*English*]

Mr. Herbert: Mr. Chairman, may I say, after that little pleasantry, that I intended in my remarks to identify some 20 federal organizations and related agencies with direct

involvement in Canadian export trade. It is clear that the focal point of federal government activity in export trade centres on the Ministry of Industry, Trade and Commerce. However, there has been an increasing tendency for other government departments to become involved in Canadian export trade. I will be interested to hear the minister's comments on the part played by his department in co-ordinating the activities of the groups that I have enumerated.

Mr. Kempling: Mr. Chairman, it is great to follow a penalty killer. It gives one a chance to review what one intends to say. I should like to add a few remarks to what my colleagues have said, during consideration of the estimates of the Department of Industry, Trade and Commerce which are now before the committee. The minister is meeting a Russian trade delegation and was kind enough to let us know in advance that he could not be present for all of today's debate. We wish him well in his deliberations.

Today the Standing Committee on Industry, Trade and Commerce lunched at the Bank of Canada. When I came out, after the meeting, I was accosted in front of the Bank of Canada by a panhandler who asked for a handout of 25 cents.

An hon. Member: I bet you turned him down.

Mr. Kempling: This shocked me. That people are panhandling openly in front of the Bank of Canada may be a sign of the times.

Like many Canadians, I am deeply disappointed with the Minister of Industry, Trade and Commerce. I am disappointed at his lack of energy, imagination, and leadership in the many fields of trade and industry. His efforts could be best described as a holding action—holding on for dear life, holding on and hoping for some economic miracle that will reverse the dangerous course we are now travelling.

We are paying today for the patched up programs, the ill-conceived plans and decisions taken in the past few years. We are paying the price for poorly thought out programs which were put into effect with much fanfare and publicity. The minister gives the impression that he is dealing only with shadows; he never seems to come to grips with the substance. The minister has a standard, stock answer to any question regarding industrial initiatives: "My officials are studying the matter." This usually leads to the hiring of a private consultant who recommends the establishment of yet another alphabet program under the Department of Industry, Trade and Commerce.

Then again if you ask the minister a question about industry or trade, he reels off programs called PAIT, DIP, FLIP, FLOP or SLUSH, or other programs which have been put in place. I do not intend to make light of these programs—SLUSH is the name that amuses me. Many of these programs existed for many years, and they still exist. Many of them are ineffective, or not properly oriented. At best they are marshmallow programs. They have all the impact and impression on our industry of a marshmallow. We need industry programs which go further than the handing out of grants. All that program directors do consistently is publish a multi-coloured booklet.

I submit that what we really need are basic decisions as to where our industry and trade are to head in the years to come. We need some short-term immediate action which will be part and parcel of a long-term plan. We need a minister who will fight like hell for industry.

An hon. Member: That is precisely what we now have.

Mr. Kempling: We do not have such a minister now. We need a minister who will pound the table for a capital cost allowance which will compensate for inflation, and who will work with his colleague who is responsible for the finance portfolio for the establishment of an allowance or adjustment which will apply to inventories in place, as present allowances or adjustments do not allow for replacement cost of those inventories.

In short, we need a minister who will bite the bullet, and face the facts of foreign investment legislation in Canada. The fog created by the Foreign Investment Review Board has effectively frightened away investment. The minister is encouraging joint ventures in Canada, but waffling on phase two of the foreign investment legislation. He has failed miserably to put into effect a long-term program to develop a secondary industrial base in Canada. We continue to trade off resources for finished goods.

● (1630)

The minister has made many confusing statements about an industrial strategy, that range from his view that he does not think it possible to develop an industrial strategy in Canada to his statement that he may have 18 or 19 different sectoral strategies. I hope the coming months will show us a little bit about what these strategies are.

The minister is urging Canadian businessmen to go outside Canada, open joint ventures in developing countries, and export back into Canada. His colleague, the Minister of Finance, upon returning from the Middle East, announced recently that Canadians should seek out joint ventures in the Middle East countries.

The Minister of Industry, Trade and Commerce when cornered always falls back on that old chestnut that Canadian businessmen are not venturesome, that they are not innovative, and that they are not willing to go out and seek business. Well, let me say that people in industry are sick to death of hearing that story.

The plain truth is that we have a minister who, as the press noted recently, is barely keepling afloat. He is a very average minister, or should I say a barely average minister, a nice guy who likes to philosophize and pontificate about industry and trade, and who loves to use a lot of commercial buzz words.

He is the sort of front-of-the-bus, middle-of-the-road, back-of-the-church fellow who lives in the hope that some miracle will rescue him from his dilemma.

Some hon. Members: Hear, hear!

Mr. Kempling: Let us take a look at a few industries that clearly illustrate what I am talking about. The automotive parts industry has had a trade deficit with the United States for ten consecutive years. Last year the deficit was in excess of $2 billion. The minister says this is because the U.S. auto industry is down. Well, it certainly

has not been down for the last ten years. The minister has done next to nothing since assuming his portfolio to change this picture.

For years the Americans have endeavoured to make the auto pact a true bilateral agreement. The pact is bilateral from their side and multilateral from our side. As a result of failing to come to grips with this problem, over one and a half billion dollars has been invested in an automotive industry in Brazil, with another billion slated for that country by 1977. Mexico, Argentina, and Venezuela are all building automotive industries. In fact by 1980, automotive production in Brazil will outstrip ours in units produced. We are importing more and more automotive components into Canada from other than North American sources. We are becoming a pass-through assembly operation, and that is tragic. The North American automotive market is being diluted more each year, and our automotive parts industry is dying on the vine.

Take a look at the rubber industry. The hon. member for Waterloo-Cambridge made some remarks and asked some questions about that. I heard the minister's answers. I was not particularly impressed by them. This industry employs 18,000 people. More than 2,000 have been laid off with little chance of being rehired. We see this industry, which serves a market that consumes 20 million tires a year, being strangled by on-again-off-again tariff policies, and by imported tires. In the past three years we have imported 33 per cent, then 45 per cent, and in 1974, over 60 per cent of the tires we consumed. I will back off on the 60 per cent to this point. We know there were a couple of disastrous strikes in that year, but the fact is that the trend is there. We are importing more and more of the tires we consume in this country.

We only produce half the radial tires required for original equipment production on automobiles and trucks. The tire industry is waiting for some assurance from the minister that he won't give it all away at the GATT meetings in Geneva.

If you were the president of a tire manufacturing company and wanted to get the approval of your board of directors to expand your plant capacity or increase production, what chance do you think you would have if they have a gut feeling that the government is going to pull the rug out from under them at the GATT negotiations? How long can this industry wait for something positive from the Minister of Industry, Trade and Commerce? We know that this industry employs 18,000 people and produces a sales volume of half a billion dollars. We know that they are producing under capacity today and that they can expand their capacity. We know that they have the labour skills, and we know that the market is there.

We also know that we have government in power that does not want to come to grips with inflation or inflationary expectations. We know we have a government in power that is directly responsible for the labour unrest in this country; a government that is overstocked with unimaginative, do-nothing ministers who refuse to face reality. What does the Minister of Industry, Trade and Commerce propose to do? He suggests we form joint ventures in third world developing countries so we can produce in a cheaper labour market. What the hell is that going to do for unemployment in Canada? How the hell is that going to improve Canadian export trade?

An hon. Member: Shame!

Mr. Kempling: The hon. member says shame. He should be ashamed of his performance.

What the minister should be doing is pounding the cabinet table for a full revision of our tax laws. He should be demanding action on capital cost allowances to reflect inflation. He should be insisting that we maintain the integrity of our currency. He should be setting forth in clear terms our foreign investment policy, and either state the government's clear position on phase two of that policy, or scrap it.

Joint ventures will not flow into Canada in enough volume to affect our unemployment, trade, exports, or balance of payments unless taxation, regulations regarding foreign investments, and capital cost allowances are re-examined, changed, and communicated in precise language. Without this kind of action we will languish in trade imbalances, continued high unemployment, balance of payments deficits, and our recovery from this current recession will lag behind our trading partners some of whom, I might add, have had the courage to take action. We are at a turning point, and what we do in the balance of 1975 and in 1976 will determine our economic activity for the next several years.

We have in our Department of Industry, Trade and Commerce the greatest expertise and talent of any country in the western world. Our GATT negotiators are the most knowledgeable and expert of the group assembled in Geneva, but what are they negotiating toward? Toward what plan are they negotiating? We have no long-range plan for industry in Canada. We have only short-term, ad hoc, patch-work programs; no real incentives to put our resources and labour skills to work on a long-term basis. This comes as no surprise to anyone who looks beyond the façade of glib answers and ghost-written speeches that tumble from the minister's mouth.

As the press acknowledged recently, the minister is treading water. I hope to God that someone will have enough compassion to toss him a rope before he goes under and drags the industry of Canada down with him.

Let us take a brief look at a few of our industries that are in varying degrees of trouble. Many of them are covered by programs. This is why I ask why they are not working. There is the rubber industry, textile industry, automotive production industry, automotive parts industry, feedstock for our chemical industry, the electronics industry, television production, shipbuilding which cannot operate without massive government subsidies, furniture, and footwear. I could list another half dozen or more. This is a pretty sad picture.

When I was in Europe recently I talked to some of the trade people there. The department some months ago sponsored a show for the furniture people in Europe. What do you think they brought over? Canadian designed Scandinavian furniture, chromeplated garbage. Those people are not interested in that. They wanted to see some really good Canadian wood furniture, but they did not get to see that. Somebody along the line muffed on that one.

All these industries are in trouble because the government lacks the basic guts to deal with the problems facing industry. The government refuses to deal with inflation, yet is hot on bilingual labelling. It puts in place foreign investment guidelines in clouded terms, then urges Canadians to seek out joint ventures. It has allowed our currency to float, which is inflationary, and has done nothing to improve the integrity of that currency. It pays out billions of dollars in unemployment benefits but has no meaningful retraining program and no industrial strategy through which retrained labour could be channelled.

● (1640)

There is a need for capital investment in Canada, but the government urges Canadian businessmen to form joint ventures in developing third world countries. It is obvious the government is adrift in an uncertain sea with no maps, no rudder and, worst of all, no captain.

The Deputy Chairman: Order.

Mr. Kempling: I see I have run out of time. Gee, I had a real good remark here, but you cut me off.

Mr. Cullen: On a point of order, the hon. member mentioned the furniture trade show outside this country and that particular operation. I know he did not do it deliberately but he failed to tell the committee that an outstanding success came out of this initiative. Sales were phenomenal and the furniture industry was very pleased with it.

Mr. Stanfield: May I say with all respect that that was clearly not a point of order. A man holding the high office of parliamentary secretary should not abuse the rules of the House.

Mr. Cullen: The reason for my point of order was that I knew the hon. member would want to correct his statement.

The Deputy Chairman: Order. The hon. parliamentary secretary knows he is entering into debate.

[*Translation*]

Mr. Guay (Lévis): Mr. Chairman, I would like to speak today about a few matters which are now creating new economic and political situations and on which I would like to draw the attention of hon. members because, for my part, I believe that these matters are extremely important, particularly now when we are trying, by all available means, to fight inflation, unemployment and recession and are attempting to find the most stable economic balance possible.

My first subject concerns Canadian industries and foreign capital. To protect Canadian industry, the government has asked the Minister of Industry, Trade and Commerce (Mr. Gillespie) mainly to control the investments of foreign capital in Canada to prevent this economic sector from being invaded by foreign interests and thus to prevent an uncontrolled take-over of our industries by foreigners. This position of our domestic policy is normal and commendable. Certainly, no one here will dispute the value of this policy.

However, we must realize that this type of decision also has certain drawbacks and often places certain industries which would need mixed capital to survive in serious situations. Unfortunately, Canadian capital is not sufficient to develop adequately our industries. Consequently, businessmen are tempted to seek foreign capital. But now, they cannot do so.

I can quote the recent example of a businessman in my constituency who was just refused such a privilege. Yet, had he been allowed to associate with English interests, his business would have developed to such a point that he could soon have doubled his staff. On the other hand, the government is doing nothing to stop Canadian industries from closing their plants in Canada and from moving to other countries where administration and production costs give them a greater margin of profits. Recently, two Victoriaville textile manufacturers announced that they would soon leave Canada for another country.

What is going to happen therefore, Mr. Chairman, if on the one part we prevent industries from developing with foreign capital and on the other part, we allow industries to leave this country? Unless we take rapidly the necessary steps, we shall inevitably witness the slow and last agony of our Canadian industry, which nobody here desires I am sure.

That is why I say: Let us promptly take care of this situation. Shall we broaden our regulations concerning foreign investment? Are we going to resort to incentives to persuade our businessmen to stay here and especially in Quebec? That problem should be dealt with in committees and suggestions from individuals, officials and groups should be studied so as to bring about a quick and efficient solution.

Mr. Chairman, the second question I should like to raise deals with the Industrial Development Bank. This bank, created about 30 years ago, has been of great assistance to the Canadian industry, there is no doubt about that. It was established to encourage Canada's economic prosperity by increasing the efficiency of monetary action through provisions of credit availability for industrial undertakings, by completing the activities on the part of other lenders and by providing help to the small enterprises encountering financing problems.

It is not my intention here to criticize the Industrial Development Bank as to what it was and what it was not, because I prefer dealing with its future. The possibility of making it a Crown corporation is being considered. As for me, I would like to suggest something else. It would seem logical to me and probably more efficient to link it to the Department of Industry, Trade and Commerce and I will give explanations.

Up to now, the part played by the Industrial Development Bank, by reason of its working, was economic. It had to lend money, guarantee loans, acquire shares and put them back into circulation. And because it paid out of its revenue the interest on its bonds, its staff emoluments and all its administration costs, its financial constraints surely obliged it to show wisdom, looked upon as exaggerated by some people, at any rate to temper its spirit of enterprise and avoid risks as far as possible.

I personally know something about this for having helped on various occasions some of my fellow citizens who were trying to get its cooperation. The bank is quite willing to lend to expand a business, for example, but the borrower must prove that he cannot obtain funds elsewhere, that there is already enough capital in the business, and that others like it have invested or are about to invest in it.

● (1650)

I must naturally be convinced of the viability of the business because it bases the amount it may lend on the profit outlook. It is also quite willing to lend to straighten out a financial situation, but it must not be due to incompetence or mismanagement.

Mr. Chairman, it will easily be understood that all those requirements and limitations have affected the efficiency that this financial instrument could have had and they also led to help industries located in the richest provinces, especially those which needed it less, because the risk was smaller. That is why in 1974 the number of loans reached 34 per cent in Ontario, 33 per cent in British Columbia and 19 per cent only in Quebec, and 14 per cent in the Atlantic region. In other words, the provinces where industrial development leaves much to be desired were forgotten. If that development corporation were attached to the Department of Industry, Trade and Commerce, it could be given a political as well as an economic dimension; like the Department of Regional Economic Expansion which gives more grants to underprivileged areas it could thus both benefit and have underprivileged areas benefit from it.

Furthermore, the Department of Industry, Trade and Commerce already has all sorts of mechanisms to help industry. So the different sectors could combine their efforts. For example, an owner faced with financial difficulties because of a lack of competence in management could first avail himself of the management program, that is the CASE program, which has the advantage of making available at minimum cost a service provided by retired businessmen selected for their experience in management. The owner could thus become eligible for loans from the bank.

Mr. Chairman, surely it will have been noted that my views and my suggestions were directed mainly to the Minister of Industry, Trade and Commerce (Mr. Gillespie), and that is not by mere coincidence. Having served as Parliamentary Secretary to that department, I was able to fully appreciate its outstanding organization, the competence of those civil servants, the understanding and the communication among departments. I am therefore quite convinced that through that department we could answer both questions I raised today.

In conclusion, Mr. Chairman, may I challenge some of the statements of the opposition member who spoke before me. He said that the government and the Minister of Industry, Trade and Commerce lacked imagination and ability; that is how far they went. But I shall ask that and other opposition members what they have to offer.

I listened to every speech this afternoon. We are about to complete consideration of the estimates of the Department of Industry, Trade and Commerce, and we heard nothing but criticism from opposition members. Mr. Chairman, I also had some criticism about the Department of Industry, Trade and Commerce, but I did dig into the problem, I studied it to make efficient and positive suggestions. They have no program, no alternative. They say ministers cling to power but, Mr. Chairman, do they believe that they will come into office without any program or any alternative, and just tell Canadians: Now, we shall take the place of the Liberal party. We are Progressive Conservative members and we have no program. We do not have anything to say, we just utter criticism.

I ask the hon. member for Prince Edward-Hastings (Mr. Hees) especially, since he was the first critic of his party, to listen to me. I was extremely patient in listening to him moments ago, but he actually did not play the role which the opposition should play in this House.

What is aimed at, in this House, is playing partisan politics to have Canadians believe everything is wrong in Canada. Repeating this does no good, because the press gallery is much more receptive to criticisms, as is evidenced by the press reports we read at night before going to bed. We have trouble going to sleep because we read only bad news about Canada, nothing ever would go right.

In effect there are lots of good news. No reference was made to Statistics Canada's last figures on our balance of payments. According to the last figures, our balance is in a surplus position this year. There was no mention of that. Not a word. I submit to hon. members on the other side that although I can criticize within the Liberal party, I am also capable of introducing efficient solutions. If the opposition were to fulfill its true role, it should tell the people: "There is such and such a program. Make use of it, even if it is not perfect. If we gain power, we will change it in such and such a way." This is what the opposition should do, but it does not.

I believe, not as a government member but as a member of parliament, that every hon. gentleman here should double up as information officer to the Canadian public. We have programs. The Minister of Industry, Trade and Commerce (Mr. Gillespie) announced recently the new shipbuilding industrial assistance program. This program became permanent,—you said earlier we have nothing but temporary measures—the STAP, after an experimental stage, is now the SAP. It became a permanent assistance program to the Canadian shipbuilding industry. Small manufacturers, who are most in need of assistance, are not told about the program that can help small enterprises, as in Quebec for instance, to obtain the expertise they need to rationalize their management, to rationalize their marketing, so that these industries become viable. That is what it is to be a member of this House, period, not a member of the opposition or a member on the government side. That is what I reproach particularly the members of the Progressive Conservative Party with. I believe that the real role of the opposition must be one of cooperation. I readily admit that we should criticize, but it should not be the only thing we do. I have been in this House for many years, almost 13 years, Mr. Chairman, in many occasions I have had the opportunity . . . The member over there who shouts behind the curtain, Mr. Chairman, probably regrets having failed to make suggestions earlier when he was speaking!

The Assistant Deputy-Chairman: I regret to interrupt the hon. member, but the time allotted to him has expired.

[*English*]

Mr. Ritchie: Madam Chairman, in the short time allocated to me it is impossible to give anything more than some small facts about selected areas of our over-all trade problem. Everyone knows that Canada is now faced with the highest imbalance of payments in its history, or at least within the last 25 years, both in actual dollars and real dollars. The obvious reason that the budget has been delayed until June 23, when the government side is so anxious to get out and get home, is that it does not know how to deal with the present combination of rising costs, inflation, and high unemployment.

Furthermore, the Department of Finance is obviously having difficulty forecasting the way in which events will unfold during the summer months. The Minister of Finance and the Minister of Industry, Trade and Commerce seem to be taking refuge in the hope that there will be an upturn in the economy, and particularly in the world economy. But most business forecasts from the United States are bleak. For example it is said that from the business statistics through early May it is not possible to forecast an early upturn in the economy.

The Japanese government is considering changing its two-year policy of tight money "in view of an acute slump in industrial activity in recent months". The West German government is expecting a delayed economic recovery as a result of the world trade recession. It seems probable that the government will stand aside and let the market system operate. This is an expensive answer in terms of unemployment, lost production, and a squeeze on profit.

Much of our troubles, which are certain to get worse before they get better, can be traced to the government's action, or I should say lack of action, in the export field. Our troubles can largely be traced to the government's reaction to our greatest trading partner, the United States.

The history of our trade with the United States is a long and involved one, but I think to some extent the present situation between our two countries can be likened considerably to the trade wars that developed in the thirties. It brings sharply into focus the exchange of views between Mr. Porter, the Unites State Ambassador, and our Secretary of State for External Affairs. Mr. Porter maintains that whatever the relationship between our two countries, it would have to be something special in this world. In other words, because of our close proximity we must have an unusual relationship. But the Secretary of State for External Affairs has said that there is no special relationship, and he is also quoted as saying that special relationships no longer serve either of our best interests.

● (1700)

I now wish to talk about this special relationship in the matter of trade and energy. The government told us it was going to conserve oil, first by raising its price to the Americans and thus discouraging them from buying it, and then by phasing out exports to the United States altogether.

Earlier this month the government reversed itself and cut the price of light and heavy crude oil exports by 80 cents a barrel in order to make Canadian oil more competitive and, incidentally, improve our balance of payments situation. It is obvious that the government is contradicting itself because it has not acted to develop a comprehensive new policy in trade and energy. It is not going to be too long before we reap the whirlwind, and it is going to lead to more unemployment and more inflation.

The decision of the Canadian government to introduce the two-price oil system in 1973 has become more and more a problem. The addition of the export tax of $5 a barrel to the Americans, and the use of this money to finance a subsidy to eastern consumers to offset imported oil at $11 a barrel, has resulted in Canadian oil becoming the highest cost source of oil imports to the United States.

When the government served notice last November that it would phase out exports from a million barrels a day to 650,000 by July, 1975, and to none in 1984, the Americans began looking elsewhere for supplies. Even oil seems to be capable of being priced out of the market. For April, instead of the 800,000 barrels a day authorized, only 600,000 were exported. Canadians thus became a net importer of oil as eastern Canada is importing at a rate of 820,000 barrels a day. Canada is not now making enough on the oil export tax to cover the subsidy to eastern consumers so dependent on imported oil.

Canada has a capacity to produce two million barrels of oil a day with the possibility of exporting approximately one million barrels, but because Ottawa has been so single-minded about curtailing exports to the United States the industry has been forced to shut in 400,000 barrels a day. Investment money is locked in, earning no returns, and thus reducing money available for exploration and development.

This is one area in which the Department of Industry, Trade and Commerce must exert itself, and decide what it is going to do about exports in order to earn badly needed foreign exchange. This is the only country in the world to show a decrease in 1974, with a further decrease forecast for 1975. The fact that Ottawa has cut the price of export crude is the first indication that the government is slightly aware of the mess it has spawned. We are losing exports, income and jobs very quickly.

We need a real conservation policy within the country, and this is where the Department of Industry, Trade and Commerce should be active. We have to consider an increase in the price of domestic oil whether we like it or not, because this will give conservation a real thrust. We must once more consider our industry and our economy in terms of the rest of the world so far as energy prices are concerned. There should be some tax relief for the oil industry so it will have more money and incentive for exploration and development.

Having regard to its balance of payments difficulties, the President of the United States has ordered another $1 tax per barrel on imported oil, and Mr. Ford's energy program is based on the rather practical and simple theory that higher costs will reduce consumption and price control on domestic oil will encourage more production.

This price increase is aimed directly at Canada, designed to shut out our exports as well as those of other exporting nations. Surely the United States would agree to

a supply of oil at a maximum amount per year well into the future. We should aim for this. This should not be so high as to endanger Canadian production. Indeed, it makes sense to export to the United States if we continue to import offshore oil.

The abrupt cessation of oil exports is one of the major causes of our dollar weakness versus the U.S. dollar. The government miscalculated when it felt that the amount of U.S. dollars available for capital inflow did not occur because of the overloading of the U.S. bond market.

In order to facilitate an over-all trading climate with the United States, government policy should be directed toward maintaining the Canadian dollar at close parity with the U.S. dollar. The strong trading linkages between Canada and the United States are what lie behind the two currencies being close to parity. When the economic performances of the two countries differ, as they do now, the danger of a fairly severe exchange rate fluctuation arises. The U.S. economy may not be performing as well at the moment, but it is bringing inflation more quickly under control.

The threat of wage-price inflation is a particularly severe one in respect of our trade imbalance. Devaluation, although supporting trade, could ultimately provide continued support for unrealistic rates of wage, salary and price growth. If devaluation were combined with an attempt at wage and price controls, the outlook would be very serious. Canada will need to attract large amounts of capital for our huge energy needs in respect of the Mackenzie Valley pipeline. Therefore, the Department of Industry, Trade and Commerce should decide whether it wants to proclaim the second part of the Foreign Investment Review Board measure or forget about it, as has been suggested.

Furthermore, a reasonable accommodation with the United States should reduce the influence which the application by El Paso Gas to transport natural gas from Prudhoe Bay to the continental U.S.A. instead of using the Mackenzie Valley pipeline will have. In this way that influence will be blunted. At the present time the main argument of El Paso is that the Canadian administration cannot be trusted. I suggest it is most important that a decision be made in respect of this matter. The Department of Industry, Trade and Commerce has not grappled with this problem of exports, and the problem in respect of exports of oil to the U.S. is most serious, and one of the most important ways, properly handled, to improve our balance of payments position, and in the long run provide a more acceptable solution.

Mr. Gillespie: Under the rules of this debate, Madam Chairman, it is going to be very difficult for me to respond to all the points that have been made this afternoon. I will do my best to cover at least some of them.

In the opening statement of the hon. member for Prince Edward-Hastings he referred to R and D, and productivity, and seemed to imply that my department was not interested in sponsoring research and development, or productivity. I would remind him that the program for the Advancement of Industrial Technology, PAIT, and IRDIA are both fundamental to the support of research and development in Canada. I would remind him that the Program for Industrial Design Assistance is directed toward another aspect of innovation, that is to say, better designs which will sell in Canada and better designs which will sell abroad. I would refer to Fashion Canada, which is a specific program aimed at the clothing and textile industry.

There are other programs which have research and development content. The Program for Defence Industry Productivity has a very important research and development element. Under that program a very significant and new technology has been developed in Canada. I am referring to the D.T.6 and the jet version of that engine produced at U.A.C.L., which has given Canada world leadership in this particular family of motors. I would also refer to the 50-passenger Dash-7, the prototype STOL aircraft which has every promise of being a world leader in its particular category.

● (1710)

I should like to refer the hon. member to a number of other programs because the suggestion was made by the hon. member for Halton-Wentworth that we were not interested in producing new programs, and that our programs were all old. I should like to remind him that this is indeed far from the fact. He should be referred to the new changes in the GAAP program, the General Adjustment and Assistance Program, aimed at widening benefits for Canadian manufacturers and those in the service industries who service those manufacturers.

I would like to draw to his attention the new program for the footwear and tanning industry that was introduced about a year ago, and CASE, the counselling assistance for small enterprises that was introduced about a year ago in the House. After a period of development more than 1,000 field workers are now operating across the country and in every province.

I would remind the hon. member that the old shipbuilding program has been replaced with a new program tailored to new needs. The shipbuilding industrial assistance program is aimed at ensuring that that industry will be internationally competitive. It has a built-in incentive for modernization. There are many other programs aimed at assisting Canadian industry to increase its productivity. I referred to several of these in reply to a question by the Social Credit member in respect of the textile industry. There are programs with respect to productivity improvement in the pharmaceutical industry where there is a development assistance program. I have already referred to the Defence Productivity Program and the Industrial Design Assistance Program.

A question was raised by the hon. member for the Social Credit Party concerning what we were doing to ensure that this constellation of programs which are there for the assistance of private industry is made known to private industry. I should like to state that we have intensified our efforts in many ways. For example, we have opened regional offices of the Department of Industry, Trade and Commerce in all provinces across the country.

This government has created the Federal Business Development Bank, which bank will be in business within a very short period of time. I have indicated in the House previously that this bank is more than just a financing

institution, which is what the industrial development bank still is. It is an institution which will provide consulting services, management consulting services, to the owner-managers, and which will take over the owner-manager training programs previously undertaken by the Department of Manpower and Immigration, and the technical services which are made available to small businesses by N.R.C. It will provide information services through some 60 different branches across the country. That seems to me to be a constructive way to tell the story and make available to the small businessman the information he can use to make his particular business more competitive or more productive.

I believe it is also important to deal with some of the other questions concerning trade. I could give a long catalogue of the activities this department has initiated over the past year. They are very substantial in terms of outgoing and incoming missions. Something close to 100 incoming and outgoing missions will have been completed in the year 1974-75. In addition there were 51 international trade fairs, exhibitions and seminars abroad in which the department participated and made available to small and larger businesses across the country.

The program for export marketing development has assisted over 3,600 companies since its inception. The pay-off on that program has been remarkable. The cost-benefit ratio for this program is indeed in the order of 40 to one. As a result of this program there have been new sales which otherwise would not have taken place in the order of close to a quarter of a billion dollars, at a modest cost to the Canadian taxpayers of $6 million. As I say, the ratio is 40 to one.

We have had more intense activity than ever before in terms of ministerial missions to the newly developing countries and to the potential industrial market for Canada. I am referring to Brazil, Mexico, Cuba, Venezuela, the Middle East countries, Saudi Arabia, Iran, Lebanon and Iraq. We have had missions between Canada and the EEC and between the EEC and Canada. We have had missions to Japan. The role of my department has never been greater than in the past year. In saying all this I think it is important to realize that the government cannot deliver or close a sale with regard to an export opportunity.

It is the responsibility of the government under our system to make available to the private sectors the opportunity to close a sale. We can provide the incentives and the opportunities, but we cannot close a sale. To take the line of the NDP spokesman it would seem to me he would find the solution to industrial problems in Canada by a nationalization. That is not our approach. We think the private sector in the last analysis is the sector that will have to deliver. We are prepared to support those who have shown self-help and those who are the self-starters.

There have been references to some of the industries that are in difficulty at the present time. We are concerned about those industries and are anxious to help them. I have already referred to the action in respect of the rubber and tire industry, and what we are doing in relation to the textile industry in respect of both management and labour as well as the Canadian Textile Institute. I have referred to the action we have already taken in respect of imports which are distorting the Canadian market at this time.

I should like to make the point that our approach has been to deal with specific industrial problems on an industry by industry basis rather than as a broadsweeping generalization which really would not get to the heart of the problem. That is the reason why the industrial strategies approach is important. It zeros in on specific industries for specific purposes.

The auto industry is in difficulty today. It would be in much greater difficulty had it not been for the strategy applied in respect of that industry in the mid-1960's. I refer, of course, to the auto pact. Since the auto pact was signed the percentage of Canadians working in the auto industry in North America has increased each year. Investment has increased in Canada over levels that would not otherwise have taken place had it not been for that auto pact. The price differential has narrowed. The auto industry is in difficulty, but by taking an industry approach I think we have served Canada well because we have a more internationally competitive industry which, even though it is hurting, is not hurting as much as its competitors south of the border at the present time.

● (1720)

We have taken the same approach with respect to the shipbuilding industry—I have referred to that already. We have taken the same approach with respect to the footwear industry, and we are presently working with the furniture industry in trying to provide for them a rationalization assistance, clearly providing the over-all perspective, the over-all climate, saying to them, "What are you prepared to do?" because in our system it seems to me that the companies themselves have to take action; we cannot legislate what each particular company will do. We can provide the incentives and the assistance, as we have done and will continue to do.

I think I am close to the end of the time allotted to me, but I would like to reiterate what I said at the beginning, that we are emphasizing research, development, and productivity, we are emphasizing export opportunities, and what we ask of the Canadian private sector is that they seize these opportunities and make use of them. We cannot do it for them, but we sure as hell will help them.

Mr. Leggatt: Madam Chairman, I was most interested in the comments of the hon. member for Halton-Wentworth—I see him behind the curtain—who suggested that the Minister of Industry, Trade and Commerce should be ashamed of himself because he has frightened away foreign investment with, as he said, the fog of the Foreign Investment Review Act. I also believe the minister should be ashamed of himself, but that is not the reason, in my view, for which he should be ashamed of himself. He should be ashamed of sitting here and presiding over the continuing takeover of Canada by foreign corporations, and of failing to introduce to the House meaningful foreign investment review legislation which would stop the continuing erosion of Canadian sovereignty caused by the takeover by foreign investment. What has been going on in this country is nothing short of a scandal. The minister must take the responsibility for it because it is his department that is supposed to be administering that legislation.

Mr. Guay (St. Boniface): Tell the B.C. government to sell their products in Canada instead of selling them in the United States.

Mr. Leggatt: I would be perfectly happy to say that to all the provincial governments in this country, all of which have copped out on the major issue of protecting Canadian sovereignty. I am much more interested in listening to the remarks of the hon. member for Windsor West who makes the same point over and over again, and who wishes the minister could come forward with what his report really meant, and give to Canada the kind of leadership that many other countries in the world have embarked upon a long time ago.

According to the latest count we have about 90 takeover bids, 80 of which have been approved. Let us look at some of these. In this country 99 per cent of the petroleum industry is foreign owned. One of the recent approvals is for Pacific Petroleum Limited of B.C., controlled by Pacific Petroleum of the United States, to take over Wizard Oil Limited of Montreal. This legislation sets forth ten separate criteria. The last of those criteria—that is one out of ten—is that the takeover be compatible with the industrial and economic policy. How in heaven's name is the Foreign Investment Review Agency to justify the taking over of the last tiny percentage of Canadian ownership in the oil industry on the basis of significant benefit for Canada?

That is why I say this legislation has become a farce, a laughing stock among those many people in the country who are finally waking up to the fact that Canadians are independent and that we have a sovereignty to protect. We have to stop selling ourselves out for every buck that comes across the border. One of the reasons why we have high real estate prices in British Columbia is that 67 per cent of the new investment has not been domestic but has come in from Hong Kong. It has driven our cost of land up to a tremendous degree.

I do not want to run through the litany of foreign ownership. Making an investment in this country right now is as hard as joining the Book of the Month Club or passing a skill testing question after you have joined a supermarket contest. There is no real review mechanism at all, otherwise we would not have these ridiculous takeovers being continually approved.

I want to ask the minister several questions before I sit down because I think they are significant in terms of where we go in administering the present legislation. First, what are the reasons for the decisions that are given by the Foreign Investment Review Agency which are published, and can those reasons for the decisions be appealed, or does the public have access to them?

The second question is one regarding good corporate citizenship, one of the criteria that the Foreign Investment Review Agency uses. I refer specifically to the Reed Group paper company takeover of the Alpha Group when the Reed Group has continually been polluting the Grassy Narrows Indian Reserve with mercury, yet this does not seem to affect the decisions that are made. I do not know whether there is interdepartmental consultation about the corporate citizenship of those who are applying for approval of takeovers.

[Mr. Leggatt.]

Third, how many corporations have received the advice that they are deemed to be Canadian corporations without having to go through the review mechanism? Also, how many have received advice on how to get around the provisions by the simple expedient of changing their stock or reducing their capitalization below the reviewable amount?

Mr. Gillespie: On the first question which the hon. member asked regarding the reasons about the decisions not being published, I should like to make two points. First of all, we are providing information on how the particular transaction meets the criteria in the act. Each time I announce the cabinet's decision with respect to allowances and disallowances, we publish a schedule which shows all the companies for which an allowance was given. I think there are something like 90 different colums, and we indicate how that particular transaction met the particular criterion. If it meets it, there is an indication.

Also, we have been trying to provide more information on some of the major transactions so that the public can understand what the benefits were that were negotiated in rather more specific terms. For example, in the Reed-Alpha transaction which the hon. member mentioned there was a considerable amount of information given. I am speaking from memory but, as I recall, the transaction will result in close to 2,700 new jobs in northwestern Ontario. That is because as a result of that transaction and what it involved, which was a vertical integration on the part of a purchaser of a distributing organization, he was prepared to go ahead and make a major investment in Northern Ontario. There is interdepartmental consultation, of course, with respect to this transaction.

● (1730)

To answer the last question of how many companies have been given binding rulings with respect to their eligibility or non-eligibility, I do not have the number at my fingertips but I think it is something like 20, and I can check that. I can assure the hon. member that there has not been the kind of jiggery pokery he implied in his question. We are interested in real control, not the cosmetics, the point being that if a company has, for example, a 15 per cent foreign share ownership we will look at that very closely, although it is a long way from 51 per cent, because it is possible in certain circumstances that 15 per cent could be controlling. If it were, of course, that company would be found to be a non-eligible person.

The second point in that connection is that these rulings are subject to two things—they are firm for two years only, and of course binding only if there is no material change in the circumstances of the particular corporation.

Mr. Leggatt: Madam Chairman, I should like to point out to the minister with regard to the Reed Alpha group takeover that Reed Alpha had been fined previously approximately $25,000 under the Combines Investigation Act, as I understand it. The effect of that takeover will be to dominate the pulp and lumber market and will provide the government with a further problem of more investigation under the Combines Investigation Act to see whether the same kind of thing is taking place as a result of the

takeover. That is why I questioned the significant benefit to Canada of that kind of transaction.

The other question I want to ask is in response to the minister's—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. The hon. member for Prince George-Peace River.

Mr. Leggatt: I thought I had one more minute.

Mr. Oberle: Madam Chairman, the hon. member for Vaudreuil conducted a very interesting exercise this afternoon by reading aloud from some pamphlets and brochures the interesting things that the Department of Industry, Trade and Commerce is engaged in. If one more program had been enumerated under the wing of the Department of Industry, Trade and Commerce I think we could have concluded that all Canadians would be working for that bureaucracy in some way or other.

There were times in the House this afternoon when officials of the department sitting in the gallery, including the deputy minister, outnumbered the members down here in the chamber. It is also interesting to note that this minister is following the lead of the Prime Minister and not exposing his new deputy minister to the scrutiny of the House of Commons by having him down here as an adviser. He is sitting in the gallery following the debate. I hope he has followed the debate with interest—

Mr. Gillespie: That's a cheap shot.

Mr. Oberle: I am just pointing out that this might be the new approach taken by the government. I hope the deputy minister and the other officials in the gallery have listened with interest because this debate has pointed out some very positive and constructive proposals.

Mr. Turner (Ottawa-Carleton): We are not going to get much of that right now.

Mr. Oberle: It also pointed out that there is not much of an industrial strategy for the minister or any of his officials to follow. The department relies heavily on other departments and other countries to do things to bail it out of a very serious and critical situation. Our industrial strategy is based on what the Department of Regional Economic Expansion might be able to do—

Mr. Jamieson: Hear, hear!

Mr. Oberle: —and what the Department of Finance might be able to do to breathe some life into our industry—what the Department of Transport might be able to do to decentralize and open up areas. We know all these other departments are in a mess as well, and so we cannot expect any industrial strategy to develop in our country.

The hon. member for Prince Edward-Hastings referred to what other countries are doing in this area. Countries in the free industrial world depend heavily on their departments of industry and trade to solve such problems as inflation and unemployment. They do this by creating a climate in which industry and commerce can flourish, not by doing what we are doing here, creating a climate of disincentives which chase industry to other parts of the world. We find that our own industrial plants sometimes have to compete with those industries that leave our country because of some ridiculous tax law or some condition under which no ordinary businessman could be expected to carry on a decent business.

It seems to be the minister's strategy, out of all the industrial capacity we have, to pick those industries with the least chance of survival in our country because of climate or location. We seem to have to take these industries and stretch them on the floor. I see the minister bending over, resuscitating them, breathing life into industries that have no chance to do anything in this country because the minister has no place in the country to catch a mouthful of air. The air he is breathing into these industries is lead.

This has resulted in problems to which the hon. member for Prince Edward-Hastings has alluded, such as the bad showing in the area of productivity which in the last year arrived at a .5 negative position. This is a very serious and critical situation. The hon. member, however, advanced some positive and constructive suggestions related to the problems of productivity, industrial research, and labour costs.

I should like to add a proposal that has been developed and seriously discussed with some talented economists in our country in regard to the problems of incentives and the problem of unemployment. This is in addition to the proposal of the hon. member for Prince Edward-Hastings to subsidize industries that would take additional people from the unemployment rolls over and above their normal requirement. My proposal is to allow some incentives to those major commodity groups within our country—Madam Chairman, if I may point out to you the minds of the trained seals are not on the job, and it is very difficult to hear.

The Assistant Deputy Chairman: Order, please. The Chair is having some difficulty hearing the hon. member. Perhaps we could have silence for two or three minutes.

Mr. Oberle: Madam Chairman, I refer to commodity groups which through cyclical fluctuation are faced with ups and downs in world markets. I am talking about the lumber industry, and the lumber and pulp commodity groups which are presently facing all kinds of difficulties. I have asked the minister what the government is prepared to do to help this significant industry which, directly and indirectly, employs about one million Canadians, exports about $7.5 billion worth of products, and imports only about $2.5 billion worth, and thus contributes positively to our balance of payments to the tune of about $5 billion per year. At present our unemployment rate is about 7 per cent, and we are paying $3.5 billion-odd annually in unemployment insurance. Would it not be sensible to help the commodity groups about which I am speaking to trade on world market—

● (1740)

The Assistant Deputy Chairman: Order, please. I notice that our *Hansard* reporters are also experiencing difficulty in hearing the debate. Perhaps we could have a little more order.

Some hon. Members: Hear, hear!

Mr. Oberle: As these commodity groups are finding it difficult to break even and maintain employment at their plants, surely the government should respond by stepping in and helping. It can do this through the normal channels without setting up another bureaucracy. It can do it through the chartered banks. After all, it has helped other industries by establishing marketing boards. It has helped the farm community by making available to it the advantages of section 88 of the relevant legislation. The government, by helping through the chartered banks, would enable these industries to keep going. If such help had been given in the current crisis it would mean that 35,000 people now unemployed in British Columbia would not be on the unemployment insurance rolls. The government could take a position in these commodity groups and ask the chartered banks to maintain inventory control. If the market price were to improve, the federal government could see to it that these commodities are made available to the domestic market. That is the way to bring about full employment—

The Assistant Deputy Chairman: Order, please.

Mr. Oberle: Madam Chairman, do you mean that I cannot ask my question?

The Assistant Deputy Chairman: Order, please. It being 5.45 p.m., it is my duty, pursuant to section 9(a) of Standing Order 58, to interrupt these proceedings and to put forthwith every question necessary to dispose of the proceedings.

The question is on the amendment—

Some hon. Members: Out. Get out.

Some hon. Members: Hear, hear!

The Assistant Deputy Chairman: May I remind hon. members that when the Chairman is putting the question no member shall enter, walk out, cross the floor of the House, or make any noise or disturbance. As I said, the question is on the amendment.

Amendment (Mr. Hees) negatived: Yeas, 59; nays, 76.

The Assistant Deputy Chairman: I declare the amendment lost.

Shall Industry, Trade and Commerce—Vote 1 carry?

Mr. Baldwin: On division.

Industry, Trade and Commerce—Vote 1 agreed to.

The Assistant Deputy Chairman: Shall I report the resolution?

Some hon. Members: Agreed.

Resolution reported and concurred in.

UNANIMOUS CONSENT SOUGHT FOR GRIEVANCE PROCEDURE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the few minutes left I should like to take advantage—

[The Assistant Deputy Chairman.]

Mr. Deputy Speaker: Order, please. Perhaps the hon. member will allow the Chair to seek unanimous consent of the House.

An hon. Member: Surely that is not necessary.

Mr. Deputy Speaker: Order, please. As hon. members are aware, the grievance procedure we have followed on the last three occasions when we considered estimates in committee of the whole is not included in the report and is not in our standing orders. At this time I would normally be seeking to adjourn the House, pursuant to the provisions of Standing Order 2(1). I think the procedure we followed the last several times might be worth pursuing. I hope that the House will at least give me the chance to ask whether there is unanimous consent for the grievance procedure which the hon. member seeks to follow.

Mr. Sharp: Mr. Speaker, the procedure which has been followed in the final few minutes on the last three occasions is unusual. Perhaps the opposition will agree that whoever speaks on its behalf should only take half the time.

Mr. Stanfield: That's fair enough. We are not like the Prime Minister (Mr. Trudeau).

● (1750)

Mr. Deputy Speaker: The remarks of the government House leader prove that it is worthwhile to ask unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baldwin: Mr. Speaker, I just want to say with regard to the division of time that we will follow the Trudeau principle.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to rise, if I might—

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Deputy Speaker: Order, please. The hon. member for Longueuil (Mr. Olivier) on a point of order.

Mr. Olivier: I just would like to emphasize to the Chair that I have not given my consent. Therefore, there is no unanimous consent.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker—

Mr. Deputy Speaker: Order, please. I will have to call it six o'clock.

Some hon. Members: No.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. It was never in the rules of this House that there was a grievance that could be ventilated in this way. It was always by tradition. That was done for many, many years.

We have now brought ourselves back as far as we can to the same position we were in before the new rules were brought forward in 1968. With this government, there are now many more causes for grievances.

For many, many years it has been the tradition that supply cannot be granted to a government until everybody has a chance to ventilate grievances. We have certain procedures for those grievances. When there is an additional amount of time before six o'clock, there is a long tradition—I believe there is a song about that—which permits this to be done. If there is any doubt in Your Honour's mind, I think the benefit of that doubt should be given to those members of this House who have so many grievances to raise.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. Although I wish to sympathize with the point raised by the hon. member for Peace River (Mr. Baldwin), he will admit that we have changed the procedure of supply. In the days the hon. member is talking about there was always a motion before the House that the Chairman leave the chair. The procedure is not the same.

The hon. member will admit that I have tried to seek the consent of the House. I am trying to be as co-operative as I can. However, I do not make the rules of this House.

Hon. members have had the experience of the last three times. It might be worthwhile to look into the possibility within the next few days of having an order of the House by agreement for a procedure to follow, or include it in an agreement by unanimous consent on other days.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on the same point of order. I wish to remind the hon. member for Longueuil (Mr. Olivier) that the tradition transcends this parliament. It goes back to Charles the First, a king who lost his head on account of this type of behaviour.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): If this government and its trained seals—I beg your pardon, its supporters, I do not want to insult the seals—is so sensitive to the grievances from opposition backbenchers, then I say to the government House leader that he better have a chat with some of his people because that traditional right, and the matter which I wanted to raise in the course of discussion, are important. The latter deals with the whole failure of the committee system in this parliament as it deals with estimates. In terms of dealing with estimates the committee system has failed as a result of the operation of the rules of this House that were put through this House by closure long before I came here.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): We have only considered one vote in the agriculture committee, vote No. 75. None of the estimates before the broadcasting committee have been considered. We have not even dealt with Information Canada yet. The health and welfare committee has not dealt with the estimates of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). The transport committee has not had time to deal with the Post Office estimates.

Speaking to the point of order which was raised at the beginning, I think that these matters are important. Items of this nature ought not to be laid to rest because the hon. member for Longueuil is so sensitive about criticism and takes such a dreadful attitude to the rights of members of parliament who are backbenchers like himself.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): If the hon. member for Longueuil is representative of the majority of his party, then I fear for the parliament of Canada.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Out of fairness to the government House leader, I am going to give him his 30 seconds to answer.

Mr. Sharp: Mr. Speaker—

Mr. Deputy Speaker: Order, please.

[*Translation*]

Order, please. I would invite the hon. member for Longueuil (Mr. Olivier) to take his seat.

[*English*]

The House will deal with one thing at a time. We are dealing with a point of order. I will call upon the government House leader on the point of order.

Mr. Sharp: Mr. Speaker, the front benches of the government would have followed my advice. However, I say to the hon. member who has spoken that all members of this House have equal rights.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): On the same point of order—

Mr. Deputy Speaker: Order, please. I think the hon. member for Longueuil (Mr. Olivier) has the right to be heard. I will then recognize the hon. member for Edmonton West (Mr. Lambert), and then the hon. member for Grenville-Carleton (Mr. Baker). I invite other hon. members, who I am sure want to be fair to all members, to give the Chair an opportunity to hear the points that are being raised.

[*Translation*]

The hon. member for Longueuil.

Mr. Olivier: Mr. Speaker, I wonder what the opposition has to object when we ask if there is unanimous consent. The Standing Orders are there. But according to our rules, as you make your bed, so you must lie upon it. If we want laws to be accepted, let us respect them. If I decide not to give my consent, I am free, being a member of the Parliament of Canada, not to give it. If they want to take this liberty away from me, it is just too bad, but I will not agree with them. The people have judged them as retrograde. Let them stay where they are, and I shall stay where I want to.

Mr. Deputy Speaker: Order, please.

Grievance Procedure

Mr. Lambert (Edmonton West): Mr. Speaker, I regret very much that we should have to end the day on such an acrid tone, but I must say in all respect that I think you interpret the Standing Orders wrongly as regards the request for the approval of the House. Many sections of the Standing Orders require general agreement, unanimous consent, and it is very clear. Right now, the unanimous consent gives one member, without reason nor justice, the right of veto, and I say that in the circumstances, that right does not exist, has never existed and should not exist.

● (1800)

[*English*]

Mr. Deputy Speaker: Order. I must tell the hon. member that I have made my decision and that I stand on my decision. If he wishes to argue the case with the House leaders and attempt to have the rules changed and clarified, that is his privilege, but a decision has been made and unless there are further points of order or questions of privilege I shall call it six o'clock.

Mr. Baker (Grenville-Carleton): I wish to say something on this point of order because I think the government House leader is a little concerned about what has happened today. I believe he is genuinely concerned about the operations of the House and the rights of hon. members. He did say that all members were equal in terms of the rules and procedures of this House, but I think the demonstration today indicates that some members are more equal than others.

An hon. Member: What a pompous statement.

At 6.04 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 29, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

REQUEST FOR DELAY IN IMPLEMENTATION OF LOCAL GOVERNMENT GUIDELINES PENDING CONSULTATION WITH NATIVE ORGANIZATIONS—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise on a matter of urgent and pressing necessity. The importance and urgency of my motion should be obvious to all members of parliament. This issue relates to guidelines D-1 on local government operations as directed by the Department of Indian Affairs to local band councils. Let me make it absolutely clear that native leaders across Canada have no argument with, and in fact welcome, the general principle of accountability of funds that is included in the said guidelines. However, inasmuch as phases included in the guidelines contravene the Indian Act and alter the role of the Chief-in-Council; removing them from their legitimate right to manage the affairs of their respective bands; and since there are statements in the regulation that threaten the power of the chief and his council and other statements that are ambiguous and lead to misinterpretation, I move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That the Department of Indian Affairs and Northern Development do not implement the guidelines on the scheduled date, but rather extend an ample period of grace wherein native people may make representation against the cruel and unusually harsh regulations that are about to be imposed upon them.

We urge the adoption of this motion in light of the fact that native people very much want to co-operate—

Mr. Speaker: Order, please. The motion is presented pursuant to Standing Order 43. It cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CRIMINAL CODE

SUGGESTED COMMITTEE STUDY OF ABORTION PROVISIONS—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise pursuant to Standing Order 43 to move a motion of urgent and pressing necessity. In view of the renewed representations made to all members of the House, urging the House to examine the overall abortion laws and in view of the fact that this is a matter dealing with life itself, I move, seconded by the hon. member for Okanagan-Kootenay (Mr. Johnston):

That the government be instructed to form forthwith a committee comprised of members of this House to thoroughly investigate this entire area affording such organizations as the Alliance for Life and others, in fact all segments of our society, the opportunity to express their views on a matter involving the very lives of thousands of unborn children.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. As popular as the motion may seem to be, I have recently ruled in respect of a similar motion concerning the situation of old age pensioners in this country that the matter of their pensions is of continuing concern to this House. The suggestion that legislation be amended is not really a proper subject matter for a motion pursuant to Standing Order 43. This motion touches on an extremely important matter. It has been and will be the subject of continuing representation concerning amendments to the law. However, it would be improper to put upon this matter, by virtue of renewed representations only, the element of urgency that would qualify it for a Standing Order 43 motion.

* * *

FOOD AND DRUGS ACT

REQUEST FOR STATEMENT BY MINISTER CLARIFYING HIS AUTHORITY UNDER SECTIONS 4 AND 22—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to present a motion dealing with a matter of urgent and pressing necessity. In view of the conflict between the apparent authority afforded by Sections 4 and 22 of the Food and Drugs Act and statements by the Minister of National Health and Welfare (Mr. Lalonde) concerning what he feels is his authority, I move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

● (1410)

That the minister make a statement to the House clarifying his authority under the Food and Drugs Act as pertaining to sections 4 and 22 of the said act.

Mr. Speaker: The motion is put forward under the terms of Standing Order 43. As such, unanimous consent is required before it can be moved. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

CRIMINAL CODE

DATE AND TERMS OF PROPOSED INQUIRY INTO ABORTION PROVISION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Justice arising out of his suggestion in the House the other day that the whole subject of the operation of the abortion law might be inquired into and some announcement made shortly, and his indication outside the House that an inquiry in depth into this issue would be conducted by the government. I should like to ask the minister about the terms of reference of the proposed inquiry. Is it intended to include in the terms of reference the grounds upon which a legal abortion may be carried out or is it his intention to confine the inquiry to questions related to the administration of the legislation?

Hon. Otto E. Lang (Minister of Justice): Obviously my answer in the House the other day indicated that a decision had not yet been taken and in these circumstances no announcement as to the details can possibly be made. Any statement which seemed to go beyond that outside the House represented, really, a rather distorted view on the part of the newsmen rather than anything I said.

Some hon. Members: Oh!

Mr. Stanfield: In view of what I know to be the minister's longstanding concern over various aspects of this legislation and my assumption that he has been giving this matter a good deal of thought for some time, is he in a position, now, to tell us in approximate terms when he can announce the decision of the government in regard to such an inquiry? Can we expect such an announcement within a week, or within a month, or is it to be made in the distant future?

Mr. Lang: It is always difficult to indicate when a decision will be taken because the process of making a decision can itself be a complicated one depending upon the nature of the issue under consideration. The Leader of the Opposition is correct, however, in assuming we are conscious of the importance of this issue and we shall be examining it with great thoroughness in order to find the right kind of solution, one which will develop approaches to or changes in the law and practice and which will meet the problem rather than simply appearing to meet it.

CONCLUSIONS TO BE DRAWN FROM ABORTION STATISTICS

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have a supplementary question for the Minister of Justice. On December 12, in reply to a question by the hon. member for Edmonton-Strathcona, the minister said he was giving particular attention to a study of the reasons the abortion rate is highest by far in the three wealthiest provinces, British Columbia, Ontario and Alberta. Can he now state his findings and do they confirm that these provinces are loosely interpreting a badly worded federal law, forcing us to the conclusion that the law must specify that abortions will only be permitted in medically indisputable cases?

Hon. Otto E. Lang (Minister of Justice): I think the conclusion to be drawn from the figures can be drawn by anyone. It seems to me fairly obvious that interpretations and applications do vary significantly from place to place. This, of course, is the very kind of question we must look at in examining the way in which the law is operating and how it can be made more effective in terms of the spirit intended by parliament in 1969.

SUGGESTION PROPOSED COMMITTEE OF INQUIRY BE EMPOWERED TO SUBPOENA RECORDS OF HOSPITAL COMMITTEES—MINISTER'S INSTRUCTIONS TO PROVINCIAL ATTORNEYS GENERAL

Mr. Douglas Roche (Edmonton-Strathcona): My supplementary arises from the fact that the largest petition ever brought into parliament was presented today, signed by one million Canadians from the Atlantic to the Pacific, and asking for much faster action than the Minister of Justice seems to imply will be forthcoming.

Some hon. Members: Hear, hear!

Mr. Roche: I should like to ask the minister, as he considers what kind of examination this question will be given and when, whether he would specifically consider the empowering of a committee to be set up to subpoena the records of hospital abortion committees to see whether cases are found in which abortions were permitted when the life or health of the mother was not in danger and, if so, whether charges will be laid and by whom?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the power to examine how hospital committees operate was in fact put into the Criminal Code and entrusted to the hands of the provincial ministers of health in the various provinces. I am impressed that many of the persons who appear to applaud the last question, and might applaud any other question if they thought it appropriate to do so on a given day, apparently have not been pressing their provincial colleagues to take some action in this regard.

Mr. Roche: A final supplementary question, Mr. Speaker. I should like to ask the minister, with reference to provincial actions, what instructions or advice he is giving the attorney general of Quebec in light of the reported ignoring of the abortion law by 103 doctors who have admitted performing or helping women to obtain illegal abortions?

Mr. Lang: Mr. Speaker, this issue is very much a matter for the provincial attorneys general; and of all the provincial attorneys general, the one who seems least to need advice from me is the one for the province of Quebec.

HOUSING

REQUEST TOP PRIORITY BE GIVEN CAPE BRETON COUNTY—ALLEGATION GLACE BAY BUILDING PROJECT WAS TO HAVE STARTED IN 1972

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of State for Urban Affairs in charge of housing. In view of the fact that the capable regional director of Central Mortgage and Housing in Halifax has informed me in a letter dated May 15 that "housing conditions in Cape Breton industrial area are among the worst in Canada and in the province of Nova Scotia", would the minister use his authority to insist that designation of target areas in Nova Scotia under the federal-provincial agreement give top priority to the county of Cape Breton?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I accept the representation of the hon. member. I will be in Halifax on Wednesday and I will discuss this matter with my provincial colleagues and certainly give it the high priority that it deserves.

Mr. Hogan: A supplementary question, Mr. Speaker. Would the minister explain why Mr. Teron the president of CMHC said in Halifax yesterday that "there is only so much money to go around and housing will have to compete with other priorities?" Will the minister tell us if Mr. Teron was stating government policy on housing?

Mr. Danson: Mr. Speaker, he was stating commonsense, as he always does.

Mr. Hogan: A final supplementary question, Mr. Speaker. My interpretation of commonsense is a little different. Would the minister inform the Minister of Finance before he introduces his June mini-budget that the present 1975 CMHC building program in Glace Bay, Nova Scotia is but a fulfilment of a project that was to have been started in, and was allotted for, the year 1972, three years ago?

Mr. Danson: Mr. Speaker, I will look into the situation that the hon. member describes. I know our direct programs are moving extremely quickly but if there are some difficulties here I will be pleased to look into them.

* * *

[*Translation*]

POST OFFICE

POSSIBILITY OF GENERAL STRIKE TO SUPPORT WORKERS IN MONTREAL

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Postmaster General.

Can he tell us what he intends to do about the threat of the president of the Union of Postal Workers, who is calling a general postal strike in support of the Montreal postal workers?

[*English*]

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, the press release that was just issued a few moments ago by the national executive of the Canadian Union of Postal Workers deserves a short answer which would be unparliamentary. To suggest that there are 400 policemen inside the Montreal post office is a pure fabrication of the worst possible type designed to inflame the members across Canada and bring on a wildcat strike. The matter has no foundation; it is malicious and it is unreasonable and, in so far as I am concerned, Mr. Speaker, it is unworthy of anybody who is the head of a trade union in this country.

● (1420)

Some hon. Members: Hear, hear!

Mr. Mackasey: I think history will prove that I am a better friend of the postal workers than their national executive, and I will not be intimidated by such statements into rescinding the suspensions and dismissals as a result of unlawful actions. I am glad they are now rediscovering the terms of their own collective agreement.

ALLEGED DELAYS IN GRIEVANCE PROCEDURE—GOVERNMENT ACTION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, could the Postmaster General inform the House whether he is dealing with the complaints in view of the suggestion that the person in the province of Quebec who has the responsibility of hearing fourth level grievances has resigned and has not been replaced, which has resulted in preventing representative hearings of grievances?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, it is significant that finally, after two months, the union is now finding some fault with the grievance procedure which for two months they have refused to recognize as a lawful method of solving legitimate differences of opinion. The constant references to Quebec, French Canada and French, and the fact that the Postmaster General is English, by this union is nothing but a deliberate attempt to create the impression that in some way, shape or form the postal workers in the province of Quebec get less justice than the postal workers across Canada, which is in fact untrue and unworthy of that particular union.

Some hon. Members: Hear, hear!

Mr. Mackasey: I have asked to see if there are delays in the processing of grievances. If there are, then this matter could have been brought to my attention two months ago when I invited the union to use this as the method of solving legitimate complaints. If there are delays, we will do everything in our power to expedite the grievance procedure, which at times does bog down not only for French-speaking Quebecers, but for English-speaking Quebecers and other Canadians as well. If that operation in the public service needs improving, then it should be improved. One of the handicaps I have to work with as the Postmaster General can be related to interference of other departments. Nonetheless, this grievance could have been brought to my attention two months ago had the union taken advantage of certain provisions in their own collective agreement.

Some hon. Members: Hear, hear!

Mr. Dinsdale: Mr. Speaker, with reference to the formal grievance procedure, is it possible, in order to meet reasonable or unreasonable demands, to foreshorten the four level procedure?

Mr. Mackasey: Mr. Speaker, I made an offer to the union, that local, and to anybody who has been suspended indefinitely, or up to nine months, I believe, and in the case of dismissals, to accelerate this procedure, move immediately to the fourth level, and do everything in my power to see that justice is rendered. They have yet to take advantage of that. There has yet to be a single suspension or dismissal in Montreal arising out of our recent difference of opinion over casuals submitted to that procedure. I have said before, and I say again, I will do everything in my power to speed up the procedure in the case of the 38 people. It is unfortunate that the union leaders in Montreal, for their own selfish reasons, are denying justice in these 38 cases. Possibly in many instances the suspensions may have been modified; for example, a dismissal could be modified to a six months' suspension, or a six months suspension modified to a two months' suspension, depending on the findings of an independent arbitrator named by the Public Service Staff Relations Board.

* * *

EXTERNAL AFFAIRS

GARRISON DIVERSION—SUGGESTION UNITED STATES BE ASKED FOR A MORATORIUM ON PROJECT

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Acting Prime Minister and is in relation to the Garrison Diversion Project in North Dakota. This subject has been raised in the House and standing committees on countless occasions by myself and other hon. members requesting that the Canadian government call for a moratorium. All that is being done is that a joint U.S.-Canadian letter is being sent to the International Joint Commission asking for a study. I have new evidence which now fully confirms that Canada should ask President Ford for an immediate moratorium. In a letter from W. S. Moorehead, Chairman of the—

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

Mr. McKenzie: Mr. Speaker, this letter recommends to Secretary of State Kissinger of the United States—

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

Mr. McKenzie: Mr. Speaker, my question is in relation to the contents of this and other letters. Will the Acting Prime Minister now call upon President Ford for a moratorium on the Garrison Diversion project.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would be very grateful if the hon. member would let me see this correspondence. The Canadian government has been very active in defence of Canadian interests. The United States has made certain undertakings and if he has evidence that they are not going to carry them out I would like to have it.

Mr. McKenzie: I will table the two letters, Mr. Speaker. I have a supplementary question. In a letter from the United States Commissioner on Reclamation to the Deputy Under Secretary of State he stated—

Mr. Speaker: Does the hon. member have a supplementary question?

Mr. McKenzie: Yes. In this letter he said—

Some hon. Members: Oh, oh!

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

* * *

INDUSTRY

REQUEST FOR MORE RESEARCH AND DEVELOPMENT TO IMPROVE COMPETITIVE POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As industrial research and development is extremely important in making our products competitive both in Canada and on the export market, and as Canada spends a considerably smaller proportion of its gross national product on industrial research and development than our five principal industrial competitors, I should like to ask the minister when he intends to bring our efforts in this regard at least up to the efforts of those against whom we must compete for sales in the world market and if possible surpass those efforts.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, there is a joint effort involving both the federal government and the private sector. The government, through incentive programs, through the National Research Council and through programs of my department is trying to do its part. We are also trying to encourage the private sector to do its part. In the last analysis increased research and development will only come about if they make the investment.

Mr. Hees: Mr. Speaker, as the minister has simply outlined the reason the program in which the government has engaged has been so unsuccessful, I should like to ask him when he intends to give some leadership in getting our research and development at least up to the level of those countries which are beating the pants off of us every day in respect of sales in Canada and the world market.

Mr. Speaker: The hon. member for Wellington.

Mr. Frank Maine (Wellington): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Would the minister indicate to the Minister of Finance his support for the suggestion just made by the hon. member for Prince Edward-Hastings which is similar to that which I made recently?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gillespie: Mr. Speaker, I would be very pleased to convey those representations to the Minister of Finance.

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HEALTH

POSSIBLE STUDIES OF WORKERS EXPOSED TO CANCER-CAUSING CONTAMINANTS—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the galloping increase in lung cancer and the jungle of confusion in certain grey areas which points out the very urgent need for a thoro-epidemiological study of Canadian uranium miners as well as other workers who are exposed to cancer-causing contaminants, I should like to ask the minister whether studies on this frightful problem are underway in his department.

Hon. Marc Lalonde (Minister of Health and Welfare): Mr. Speaker, we have been following this issue very closely. We have been supporting over the years through medical research various research projects. This is an area of serious concern, but as the hon. member indicated, unfortunately at the present time there would still appear to be conflicting views among scientists with regard to the exact situation. I can only hope that further study and reserach in the future will clarify the situation.

● (1430)

Mr. Rynard: Mr. Speaker, I should like to ask the minister if there are any statistical studies to date indicating more than one contaminant that might cause lung cancer, such as how many of those people were cigarette smokers and for how long.

[*Translation*]

Mr. Lalonde: Mr. Speaker, I shall study the question and find out from the department whether we have made recent statistical studies which answer the question of the hon. member. I shall be happy to send him the information requested if my department has made those studies.

* * *

[*English*]

NATIONAL DEFENCE

COMPLAINT OF GENERAL ROHMER CONCERNING GOVERNMENT'S ATTITUDE—MEANS OF REGULATING USE OF NORTHWEST PASSAGE BY U.S. TANKERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact that the minister promoted Richard Rohmer to the rank of brigadier general in the reserves and named him air reserve adviser, does the minister have plans to rectify his complaint made last night in Guelph, Ontario, that Ottawa has little interest in the military?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I will be very pleased to look at what General Rohmer had to say because he is a very competent officer.

Mr. Hees: And he knows what he is talking about.

Mr. MacKay: Mr. Rohmer claims that the U.S.A. is building a fleet of giant tankers to take oil from its reserves in Alaska through the Northwest Passage to the east coast without consulting Canada. If this is true, how does the minister plan to regulate the passage of these ships when Canada presently does not have any Arctic icebreakers?

Mr. Richardson: Mr. Speaker, the hon. member knows that we have complete surveillance of that area.

Some hon. Members: Oh, oh!

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TRADE

SALE OF CANDU REACTOR TO SOUTH KOREA—INQUIRY AS TO SAFEGUARDS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce in the absence of the Secretary of State for External Affairs. In view of the announcement made yesterday by the minister confirming the sale to South Korea of a CANDU reactor and the arrangement of a $300 million loan with EDC, will the minister advise the House whether any reassessment was made of the risks inherent in this sale of adding South Korea to the nuclear club in view of what many in South Korea now view as a new strategic situation following the withdrawal of the United States from South Viet Nam?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, yesterday I explained, in announcing the signing of the Export Development Corporation loan, that it was conditional upon appropriate safeguards being worked out and signed bilaterally between Canada and the Republic of Korea.

Mr. Leggatt: Would the minister please advise the House first of all whether he will table the proposed bilateral agreement together with the terms of the loan interest, etc, and also would he advise whether that agreement contains any sanctions or penalties in the event of the default in the future to comply with Canadian safeguards, and if, in the event of an emergency, South Korea diverted plutonium from the CANDU reactor to manufacture nuclear explosives, what sanctions does Canada have to enforce that bilateral contract?

Mr. Gillespie: I indicated in my first answer that this matter is under consideration at present. It is under negotiation at present and those negotiations are not yet completed.

Oral Questions

SALE OF CANDU REACTOR TO SOUTH KOREA—REQUEST FOR DETAILS OF LOAN

Mr. Harvie Andre (Calgary Centre): I should like to address my question to the Minister of Industry, Trade and Commerce. In view of the fact that a $300 million loan is being provided to South Korea by the Export Development Corporation, will the minister tell the House, either orally or by tabling appropriate documents, what are the terms of this loan with regard to the interest on the loan and the payout period?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the press release indicated the terms of repayment and the part that Canadian private banking partners in the loan are playing as well as the part played by the U.K. banking group. In this sense, it is the first type of banking consortium arrangement worked out by the Export Development Corporation, a very important one, I think.

As to the question of the interest rate, that information will not be made public. That kind of information is always confidential.

Mr. Andre: In view of the subsidized interest rate—we do not know whether or not it is subsidized but there is reason to suspect that in fact it will be a subsidized interest rate that is not available to Canadian businessmen or indeed Canadian house buyers—and in view of the fact that a subsidy is tantamount to a reduction in price and to giving a lower than stated price on this reactor, will the minister at least tell the House what the real price of the reactor is?

Mr. Gillespie: I want to reassure the hon. member that these loans are not subsidized. The Export Development Corporation has made money each year. Its rate of interest is negotiated at comparable rates to those that are internationally prevailing and in situations where Canadian sellers have to compete.

* * *

[*Translation*]

CRIMINAL CODE

PROPOSAL TO REDEFINE WORD "HEALTH" IN ABORTION PROVISION

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a question the Minister of Justice.

Since the amendments to the Criminal Code have been applied with regard to the interpretation of what constitutes danger to the mother's health, the number of abortions in Canada has grown steadily, for various reasons, and the will of the legislator has not been respected: does he intend to reintroduce this act to Parliament and redefine the word "health" and thus encourage life in Canada instead of "slaughter"?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question of appropriate action is the very subject which will be examined. Of course, the law is being applied, perhaps with some differences from province to province, and the actual application of the criminal law is ordinarily the responsibility of the provincial attorney general. It is his responsibility to see that the law is made effective.

* * *

[*Translation*]

SOCIAL SECURITY

MEASURES TO ENCOURAGE FAMILY FORMATION

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary for the Minister of National Health and Welfare.

Has his department made any studies on the lowering birth rate in Canada and considered any measures, fiscal or other, to at least encourage women who wish to bear children and thus accomplish a great goal?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, for numerous years the government has endorsed a policy favouring family formation. If one considers the record of the Liberal government over the past 20 years, I think the country has nothing to be ashamed of, much to the contrary.

To answer the hon. member's question in a more specific way, I shall remind him that it is the present government which in the past two years has tripled the amount of family allowances, and the same government which last year issued new instructions concerning cost-sharing by the federal government in day-care nurseries, which now makes it possible for us to share a greater part of nursery costs with the provinces than for any other social services. These are simply measures. But in the Unemployment Insurance Act, you also have measures that were taken to favour maternity leave thus enabling pregnant mothers to receive unemployment insurance benefits. Finally, today, in this House, we are going to debate an omnibus bill on the status of women that will make maternity leave even more readily available to Canadian women.

* * *

CRIMINAL CODE

AMENDMENT OF ABORTION PROVISION TO SHOW RESPECT FOR LIFE

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

Considering the answer which has just been given by the Minister of National Health and Welfare, I would like to put again to the Minister of Justice whether he shares the view of his colleague instead of shifting to the provinces the responsibility for the administration of the Criminal Code as in 1968, so that the minister will assume his responsibility and introduce legislation in Parliament advocating respect for and protection of life rather than abortion.

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like to emphasize that many observers can see that

the Criminal Code, as it was written in 1969, very definitely respects life and the life of the unborn child. If there is any doubt about it, that should be seen by the provisions that we left in the Criminal Code, the very significant penalties for interference with the unborn child, with the fetus. Those are significant indeed, and that is the general pattern and trend of the law, to protect the unborn child in that fashion. It is only by way of attempting to deal with some specific problems that medical committees were given the responsibility of determining when the health or life of the mother was in danger.

● (1440)

In the circumstances where it is otherwise an offence punishable by life imprisonment, that should obviously be a very serious question for medical committees and one which they should, if they wish to take on the responsibility, be able to put into effect. It will be our problem, if medical committees do not appear to be able to come to that kind of judgment, to have to review the law.

SUGGESTED INSTRUCTIONS BY MINISTER TO PROVINCIAL ATTORNEYS GENERAL TO ENSURE UNIFORMITY IN APPLICATION OF ABORTION PROVISION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question of the Minister of Justice. I agree with him that the implementation of the law, when it comes to charges under the code, is the responsibility of the attorneys general of the various provinces. In putting this question I would like to remind the minister that it was his government which changed the law and left it ambiguous. In light of the fact that the law is interpreted one way in the province of Quebec and another way in the other nine provinces, and in light of the fact that the minister has made some statements on the interpretation, would he now instruct the attorneys general of the various provinces to see that the law is carried out uniformly across the country?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I do not know to what the hon. member refers when he says the law is being interpreted differently in different provinces because so far as I know it is clear in all provinces that without a medical certificate from an abortion committee in a hospital it is a criminal offence, and a serious one, to perform an abortion or assist in the performance of an abortion, and that is clear law all across the country. The question of the application of section 251 has been a subject of discussion between me and provincial attorneys general. Under the constitution or under any powers I know of I cannot instruct the provincial attorneys general how they are to operate, but I did bring to their attention the varying statistics from province to province and the very forceful fact that it is their obligation under the law to enforce the law as it is written in this parliament and not to apply their personal or political interpretations to that law, and they ought to carry out the law accordingly.

Some hon. Members: Hear, hear!

PROPOSED REFERENCE OF ABORTION PROVISION TO SUPREME COURT

Mr. Eldon M. Woolliams (Calgary North): In reference to the interpretation of the law I could not agree more with the Minister of Justice.

Some hon. Members: Hear, hear!

Mr. Woolliams: But in light of the fact that he knows, and we all know, that it has not been interpreted properly in some provinces, will he now take my suggestion and have the matter referred to the Supreme Court of Canada so that the attorneys general will carry out what he has just said? What he has just said is merely words and not action.

Hon. Otto E. Lang (Minister of Justice): I am happy that the hon. member has said a couple of times that he shares my view with regard to the law and its application. I say to him that I am in no way convinced that further elaboration in a general way of the meaning of the law would help, and that in fact there is not so much difficulty with the words concerning danger to the health and life of the mother. I suggest to him that in context those are words clearly involving only a very serious consideration regarding the life and health of the mother, and that any court would hold it so.

The problem is really not to interpret them that way but to see that medical committees recognize that it is their responsibility, only when they have formed a serious opinion in that regard, to give a certificate, and that it is the responsibility of provincial attorneys general to try to bring before the courts cases where medical committees are not operating in that fashion.

TYPE AND DURATION OF PROPOSED INQUIRY INTO ABORTION PROVISION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have tried to follow the circumlocutions of the minister, but have had difficulty. If matters are as clear as he says they are, the responsibility is that of the provincial attorneys general and the section of the Criminal Code in question is so clear, then what did he have in mind when he stated the day before yesterday that it was the intention of the government to conduct a full and complete inquiry and, to quote the minister, "that we definitely are going to have a very fair and formal public examination of the whole question"? Is it going to be a Royal Commission? What is the purpose of setting up this commission if not simply to postpone taking a stand and to continue to answer questions with the indefiniteness he has shown here today?

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it strikes me as somewhat strange that I can be attacked in this fashion when most people consider that I have probably been abused more than anyone else by people—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Do you want a towel?

An hon. Member: Poor Otto.

Mr. Lang: The right hon. gentleman must not have been here at the beginning of the question period when I said to the Leader of the Opposition, I believe, when he was quoting from that particular newspaper report to which the right hon. gentleman has also referred, that it was not a statement of my view, but that I stand by the words I used in this House with regard to what deserves to be investigated; what needs to be investigated is the way in which medical committees can and will be willing to perform their obligations throughout the country, and therefore, whether the law as written in 1969 can in fact be sustained, having regard to their willingness or the willingness indeed of provincial attorneys general in that it is a very serious question. That is straightforward. I hope the right hon. gentleman sees no circumlocution in that.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, by the degree of applause I think it will be generally noted that the Liberal Party is opposed to this whole situation.

Some hon. Members: Order.

Some hon. Members: Oh, oh!

An hon. Member: You can't have it both ways, Otto.

Mr. Speaker: Order, please. There are a number of other hon. members who are anxious to use the remaining minutes for questions. I wonder if the right hon. gentleman might be permitted to finish his question.

Mr. Diefenbaker: I was interpreting the applause which was given by the Liberal Party and by the government. I was here from the beginning. I was here in 1969.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: If hon. members opposite think that this clack will keep me down, they are mistaken.

What is the nature of this investigation to be? Who will be involved? When will it start? How long will the inquiry sit, or is it just a simple means by the minister to get around to deciding the question, thereby postponing indefinitely the consideration of this great social problem?

Mr. Lang: I will say again that if the right hon. gentleman was here, he must not have been listening to the responses because I did indicate that. If he will refer to my answer yesterday, he will see that the decision of whether, and the nature of, the inquiry is not yet taken, so I am obviously unable to answer the questions which are the very ones I said would be announced in the House after that decision is taken.

An hon. Member: When?

Mr. Lang: It is an important question. To my mind it will indeed deserve very careful consideration, and not the kind of politicizing of both sides of the question which we are apt to get from hon. members opposite right now.

Some hon. Members: Hear, hear!

[Mr. Lang.]

THE SOCIETY FOR THE STUDY OF THE HERITAGE OF CANADA

EFFICIENCY OF SOCIETY'S PROGRAM FOR SENIOR CITIZENS—GOVERNMENT POSITION

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in the absence of the Secretary of State I will address my question to his parliamentary secretary. Both through the medium of the question period and in a verbal report from consumer affairs in a tabled report of the Secretary of State dealing with the Society for the Study of the Heritage of Canada, the inference has been that the society's program for senior citizens was a costly and inefficient venture. Yet in the adjournment debate of May 26 the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development stated that it was financially efficient. Would the parliamentary secretary inform the House which statement is accurate, that of the minister or that of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development?

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker, I will be glad to take this question as notice.

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ROYAL CANADIAN MOUNTED POLICE

ADEQUACY OF INVESTIGATION BY FORCE OF CIA ACTIVITIES IN CANADA

Mr. Derek Blackburn (Brant): Mr. Speaker, my question was intended for the Solicitor General, but in his absence I will ask the Minister of Justice who is, I believe, the Acting Solicitor General. In view of the fact that some of the alleged activities of the CIA in Canada may not, in a strict sense, be illegal although nonetheless pose a serious threat to Canadian sovereignty, and in view of the fact that the information the CIA passes on to similar Canadian agencies does not appear to include information on former agents of the CIA, as the Quang case makes clear, does the minister consider an investigation by the RCMP—in essence, an in-house inquiry—to be adequate? Will the minister outline the terms of reference of the investigation as presently constituted?

● (1450)

Hon. Otto E. Lang (Acting Solicitor General): Mr. Speaker, I have noted the Solicitor General's statement, as has the hon. member, that he will investigate any allegations in regard to the improper activities of the CIA in Canada. I would hope that he would conclude that an investigation by the police would be the appropriate starting point.

USE OF UNITED STATES EMBASSY BY FORCE IN CHECKING BACKGROUND OF FEDERAL EMPLOYEES WHO WORKED IN THIRD WORLD COUNTRIES

Mr. Derek Blackburn (Brant): A supplementary question, Mr. Speaker. It has recently come to my attention that one of the procedures used to check the reliability of Canadian citizens who have applied for employment with

the federal government and who have worked in the third world is to check their background with the American embassy in the country in which they were previously employed. Can the minister tell the House whether such a procedure is extensively used by the RCMP or other government agencies involved in checking the reliability of these Canadians?

Hon. Otto E. Lang (Acting Solicitor General): I will see that the inquiry is made.

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TRANSPORT

CROWSNEST PASS RATES—NAMES OF PROVINCIAL MINISTERS REQUESTING ROYAL COMMISSION INVESTIGATION OF COSTING ASPECTS OF GRAIN MOVEMENT

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Transport. Can the minister inform the House of the names of the provincial ministers who requested the royal commission into the costing aspects of grain movement—which is really a royal commission into the Crowsnest Pass rates—in light of the declaration by all western ministers of transport that these statutory rates should not be changed in any way whatsoever?

Hon. Jean Marchand (Minister of Transport): I think they are the four transport ministers from the west.

Mr. Murta: A supplementary question, Mr. Speaker. The minister either did not hear my question or did not want to answer it so I will ask basically the same question again. In view of the fact that what I believe the government has called the Snavely Commission inquiring into the costing aspects of grain transportation in western Canada, which in reality is a royal commission looking into the Crowsnest Pass rates, can the minister inform the House which provincial ministers requested this, in view of the fact that the ministers stated publicly they did not want any change whatsoever in the statutory rates?

Mr. Marchand (Langelier): Mr. Speaker, I can give no other answer. There is a royal commission on grain handling in the west and it is known publicly, I think, that the ministers from British Columbia, Saskatchewan, Alberta and Manitoba asked us not to modify the Crowsnest Pass rates.

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REGIONAL ECONOMIC EXPANSION

RURAL DEVELOPMENT COUNCIL OF PRINCE EDWARD ISLAND—PUBLIC PARTICIPATION IN SECOND PHASE—POSSIBLE SUSPENSION OF ACTIVITIES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. It refers to a question asked earlier this week by my colleague the hon. member for Malpeque with respect to the total suspension of funds at the end of June for the Rural Development Council. In view of the recommendations of the consultant's report a year and a half ago that a five year extension should be granted for the work of the RDC on the second phase of the plan, and the fact that the second phase is now before the minister and his colleagues, can the minister assure this House and the people of Prince Edward Island that there will be adequate provision for public participation in the second phase of the development plan?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, on the question of public participation, there undoubtedly will be. It is our intention to support and encourage the government of Prince Edward Island in this regard. As to the specific organization in question about which I was also questioned by the hon. member for Malpeque, I have checked it out and it is entirely within the responsibility of the province to decide whether it supports that particular organization or not.

Mr. MacDonald (Egmont): A supplementary question. In view of the fact that 75 per cent of the funds for the Rural Development Council have come from the federal government and the fact that all major questions have been determined by both parties consenting on the importance of various elements, has the federal government agreed to the suspension of the Rural Development Council and its activities?

Mr. Jamieson: Mr. Speaker, I also answered that question but I will be glad to elaborate slightly. We did not agree, in the sense that we were not consulted. The action was taken by the province of Prince Edward Island which has a complete right. We only heard about it subsequent to the action having been taken.

REPLY OF MINISTER TO COMMUNICATIONS FROM RURAL DEVELOPMENT COUNCIL OF PRINCE EDWARD ISLAND

Hon. J. A. MacLean (Malpeque): A supplementary question to the same minister. May I ask the minister if he would indicate the tenor of his reply to the communications from the Rural Development Council of Prince Edward Island on this matter?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I replied in about the only possible way I could, given the situation I have outlined. I am indicating to all those who make representations to me that I am transmitting their concerns and interests to the government of Prince Edward Island which seems to me about the only route I can follow at the present time.

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ENVIRONMENTAL AFFAIRS

REASON FOR EMPLOYMENT OF ECONOMISTS AT HIGH SALARY LEVELS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of the Environment. In view of the answer given to question No. 2125 which revealed that the Department of the Environment has 163 economists at a total salary of $3.8 million per year and that $3.8 million is more than is paid all the economists in the Department of Finance, could the minister indicate why these econo-

mists are required in her department at these salary levels?

Mr. Speaker: Order, please. I am sure that information could be obtained in another manner. The hon. member for Burnaby-Richmond-Delta.

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LABOUR CONDITIONS

POSSIBILITY OF MEETING MR. FITZSIMMONS, PRESIDENT OF TEAMSTERS' UNION—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Labour of which I tried to give his office notice this morning but they never called me back. In view of the fact that the minister has arranged for a public relations promotion for Mr. Cesar Chavez of the United Farm Workers at the front door of the House of Commons next Tuesday, can the minister advise the House whether he has also invited Mr. Fitzsimmons, president of the Teamsters' Union who represents 85 per cent of farm workers in California?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, if Mr. Fitzsimmons writes and requests to be met I will be pleased to meet him.

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CRIMINAL CODE

TERMS OF PROPOSED INQUIRY INTO ABORTION PROVISIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like clarification from the Minister of Justice on a very important point. When I asked him earlier whether the inquiry would include the grounds on which an abortion might be legally performed or would be confined to the administrative aspects of the law, he indicated that the question had not been decided. I should like him to reassure me of that in view of his apparent response to the right hon. member for Prince Albert indicating that it was the manner in which the abortion committees, doctors, had been observing it that required looking into. Is the minister and the government considering an inquiry into the grounds on which a legal abortion may be performed as well as the manner in which the law is being administered or not? I think it is important.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will confirm that the decision has not been taken. The further discussion about the kinds of questions that may arise is obviously a discussion of the sorts of issues that have to be looked at in determining the nature of any possible inquiry.

INTERPRETATION OF WORD "HEALTH" IN ABORTION PROVISIONS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to the Minister of Justice. In view of the fact the use of the word "health" in the Criminal Code is what seems to be the basis of the problem of interpretation of what the intention was in this legislation, I wonder if the minister could indicate why he has consistently refused to draft some specific rule as to what the government interprets this to mean?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had occasion to give my opinion as to what I think it means and have received criticism for even venturing that far. I would remind the hon. member that further discussion on the subject of the definition did take place in this House at the time of the passing of the bill. I can refer hon. members back to that discussion where I think the spirit was clear that the words "health" and "life in danger", in the context of a law otherwise requiring serious punishments for interfering with the fetus and destroying it, was that it would clearly be only a very serious matter that would be involved. I personally have the view that an attempt simply to introduce some qualification like that would not accomplish the end that is sought in creating consistent administration around the country and therefore some further examination of the issue is needed. What I do not want to do is simply, as some hon. members would have it, appear to do something which in fact accomplishes nothing. I want to accomplish something.

Mr. Yewchuk: A final supplementary, Mr. Speaker. I wonder if the hon. Minister would agree to tell the House whether "health" means physical health or also emotional health?

Mr. Speaker: Order, please. Despite the minister's special capacity surely this is not the proper forum in which to discuss the hon. member's opinion on matters of that sort.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader about the business for the rest of this week and next week.

Mr. Sharp: First of all, Mr. Speaker, may I designate Monday, June 2, and Thursday, June 5, as allotted days? Today the House will consider second reading of Bill C-16 on the status of women. I hope it will be possible to dispose of this legislation today.

● (1500)

Mr. Stanfield: At the second reading stage.

Mr. Sharp: The second reading stage, yes. In order to do this, perhaps the House might be disposed at some stage after the first round of speeches to limit the length of speeches in order that as many members as possible might participate. Tomorrow we will proceed with a number of report stages and third readings in this order: Bills C-37,

C-3, C-13, C-47, C-33 and C-50. On Tuesday and Wednesday we would like to complete anything that has not been completed in that list, and also add these items which might also be disposed of: Bill C-57, the Federal-Provincial Fiscal Arrangements Act, and Bill S-20, the Territorial Lands Act.

Mr. Baldwin: In the event that the Prime Minister, the Minister of Finance, and the Minister of Labour can reconcile their differences so that the Minister of Finance can be delivered of a budget on June 23, will it be the intention of the government to proceed thereafter with the completion of the budget debate and any budget bills that might arise out of that? I know this is in the contemplation of the government, but it might be of some help if this information were available now.

Mr. Sharp: Mr. Speaker, I cannot be very definite about this, but certainly the government will want to complete the budget debate itself? I should warn the House that it is quite possible the government will wish to dispose of some of the bills which may result from the budget proposals.

Mr. Stanfield: It's going to be a cold summer anyway.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, can the government House leader tell us the present status of the proposed legislation to amend the Old Age Security Act? It has been a long time coming.

Mr. Sharp: Mr. Speaker, the bill was finally approved in cabinet today. It is my intention to place notice of the bill on the order paper over the weekend.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to make a fresh attempt to have the President of the Privy Council (Mr. Sharp) tell the House when the amendments to the present Unemployment Insurance Act promised in the last throne speech will be brought forward?

[*English*]

Mr. Sharp: Mr. Speaker, I do not expect that it will be brought in before the summer recess.

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the same point of order, may I ask the government House leader whether he has given any consideration to the striking of the joint committee dealing with the national capital. I understand there might be some expedition of the work of that committee, in the sense that it could deal with briefs over the summer period.

Mr. Sharp: Yes, Mr. Speaker. There are a number of other items on the order paper that are not legislative items. There is a motion in my name on the travelling of one of the committees. I have also given notice of the establishment of a committee on the National Capital Commission. I would like to have conversation on this motion through the usual channels. I hope we can expedite these items through the House. In particular, with regard to that committee when it is struck I believe it would be desirable that it hold one meeting before the summer recess so that various documents can be distributed and studied during the summer.

Mr. Baker (Grenville-Carleton): Thank you very much.

Business of the House

Mr. Beatty: Mr. Speaker, can the government House leader indicate when the government will be bringing forward the legislation they have been promising with regard to regulation of the federal data banks? It was promised earlier this session. I wonder whether this legislation is going to be delayed until after the summer recess.

Mr. Sharp: Mr. Speaker, we have been considering this bill in cabinet. It has now been drafted and I am awaiting an opportunity to introduce it. There is no reason to delay its introduction; I expect it will be very soon.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on another point of order. A couple of days ago I believe there was agreement to have appended to *Hansard* the full answer to some questions of mine regarding Canadian National pensions. If the Minister of Transport has that information today, I wonder if it could be appended to today's *Hansard*.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, with the unanimous consent of the House, I am prepared to table the promised document.

[*English*]

Mr. Speaker: Is it agreed that the minister shall have leave to table the document?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): And that it be made an appendix to *Hansard*.

Mr. Speaker: It is suggested, as well, that the document be appended to *Hansard* as if it had been read. Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: For document referred to above, see Appendix.*]

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COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Fourteenth report of Standing Committee on Justice and Legal Affairs—Mr. Poulin.

[*Translation*]

PUBLIC SERVICE EMPLOYER-EMPLOYEE RELATIONS

Third report of Special Joint Committee on Public Service Employer-Employee Relations, in both official languages—Mr. Blais.

[*Editor's Note: For texts of above reports, see today's Votes and Proceedings.*]

[*English*]

AGRICULTURE

TABLING OF REPORT ON FEDERAL MEAT INSPECTION

Hon. E. F. Whelan (Miniter of Agriculture): Mr. Speaker, I wish to table, in both official languages, under Section 41(2) of the Standing Orders a report on federal meat inspection.

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Walter Smith (Saint-Jean) moved that the seventh report of the Standing Committee on Agriculture, presented to the House on Monday, May 26, 1975, be concurred in.

Motion agreed to.

* * *

CRIMINAL CODE

PETITION IN RESPECT OF LAW ON ABORTION

Mrs. Ursula Appolloni (York South): Mr. Speaker, it is with a great sense of pride, history and honour that I rise today to present a petition containing 1,027,425 signatures of Canadian citizens who plead that it is parliament's most basic duty to protect innocent human life.

Some hon. Members: Hear, hear!

Mrs. Appolloni: Scientific evidence now puts in beyond reasonable doubt that a human life begins at conception, yet our laws permit the widespread practice of abortion in Canada. On this occasion, I also rise on behalf of the hon. member for Malpeque (Mr. MacLean), the hon. member for St. John's East (Mr. McGrath), who is represented by the hon. member for Dartmouth-Halifax East (Mr. Forrestall), the hon. member for Cape Breton-East Richmond (Mr. Hogan), the hon. member for Northumberland-Miramichi (Mr. Dionne), the hon. member for Lotbinière (Mr. Fortin), the hon. member for Brandon-Souris (Mr. Dinsdale), the hon. member for Battleford-Kindersley (Mr. McIsaac), the hon. member for Edmonton-Strathcona (Mr. Roche), who also represents the Territories, and the hon. member for Kootenay West (Mr. Brisco).

● (1510)

Mr. Speaker, over one million Canadians call upon parliament to enact legislation—

Mr. Speaker: Order, please. The hon. member has adequately described the nature of the petition and the circumstances surrounding it. I think it ought to stop there.

Some hon. Members: Carry on.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, on this particular day I would appreciate it very much if you would give the hon. member a chance to carry on.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Guay (St. Boniface): I am sure we can get the unanimous consent of the House to allow her to do so.

Some hon. Members: Hear, hear!

Mr. Speaker: As the hon. member may know, we have made extensive arrangements for the acceptance of this important petition. The hon. member has described the petition and she has referred to the member from each province who was involved in the presentation of the petition. We have extended all these courtesies to make sure that the presentation of this important petition is as dramatic and emphatic as I am sure all hon. members wish it to be. It remains only for the petition to be presented. We are fully aware that it constitutes some 35 packing cases of signatures which I am sure the hon. member does not have with her at the moment. If there is anything else I can do to accommodate the hon. members who are interested, I am certainly prepared to do it.

Mr. Roche: I cannot add to what Your Honour has said about the nature of the petition. I would only plead that you allow the words of the petition, which constitute only about one more paragraph, to be read into record at this point so that thousands of Canadians who read *Hansard* can see them.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member raises an interesting point. Other hon. members will be aware that it has been held in the past—I have cited one of these decisions in connection with a petition presented by the hon. member for St. Paul's (Mr. Roberts)—that the reading of representations attached to petitions is not the proper way to bring petitions before the House; that it is to be done through hon. members, in debate, and through their efforts to persuade the cabinet that the law should be changed. However, in this situation, if there is unanimous consent that the balance of the petition be read, I am prepared to be guided by hon. members. Is there unanimous consent?

Some hon. Members: Agreed.

Mrs. Appolloni: Thank you, Mr. Speaker. Over one million Canadians call upon parliament to enact legislation providing for the child conceived but not yet born the same protection as is provided for any other person, and also urge parliament to show leadership in fostering a life-sustaining society.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): On a point of order, Mr. Speaker, the member presenting the petition on behalf of the signatories from New Brunswick and future generations of that province was the member for Northumberland-Miramichi.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,581, 1,825, 2,326, 2,372 and 2,385.

I ask that the remaining questions be allowed to stand.

[*Text*]

FRANCOPHONE IMMIGRATION

Question No. 1,581—Mr. Jones:

1. What specific preferences are given to immigrants from French-speaking countries?

2. How many immigrants have been admitted (a) from French-speaking countries (b) from other countries for each year 1972, 1973 and 1974?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. None. Each applicant for permanent residence to Canada is assessed in accordance with the applicable section of the admissable classes contained in the Immigration Regulations.

2. The following table lists the ten countries of last permanent residence from which the greatest number of immigrants arrived who had a capacity in the French language during the years 1972, 1973 and 1974.

Year	Country of last Permanent Residence	Immigrants with a language Capacity In French	Total Immigrants
1972	France	2,426	2,742
	U.S.A.	1,271	22,618
	Haiti	844	936
	Switzerland	428	778
	Belgium	351	447
	Egypt	267	606
	Lebanon	253	996
	England	247	12,520
	Morocco	220	236
	Italy	193	4,608
	Others	2,160	75,519
	Total	8,660	122,006
1973	France	3,115	3,586
	Haiti	2,116	2,178
	U.S.A.	1,681	25,242
	Switzerland	514	953
	Morocco	460	499
	Egypt	410	905
	Lebanon	386	1,325
	England	378	19,979
	Belgium	399	589
	The Netherlands	301	1,898
	Others	3,289	127,046
	Total	12,989	184,200
1974	Haiti	4,827	4,857
	France	3,859	4,232
	U.S.A.	1,739	26,541
	Switzerland	737	1,336
	Morocco	736	786
	Zaire	609	1,273
	Belgium	439	613
	England	421	28,828
	Lebanon	329	1,762
	Egypt	317	928
	Others	3,601	147,309
	Total	17,614	218,465

AIR CANADA—APPLICATIONS FOR STEWARDS AND STEWARDESSES

Question No. 1,825—Mr. Schumacher:

1. In the years 1973 and 1974, how many applicants for positions as stewards and stewardesses, whose stated home address was (a) Manitoba (b) Saskatchewan (c) Alberta (d) British Columbia (e) Yukon (f) Northwest Territories were (i) interviewed (ii) hired by Air Canada?

2. In each of the years 1973 and 1974, by province and territory, how many of those hired as stewards and stewardesses stated their mother tongue was (a) English (b) French (c) other and in each case how many were (i) proficient in both official languages (ii) entered in either English or French language training programmes?

Hon. Jean Marchand (Minister of Transport): The management of Air Canada advises as follows: The data provided below pertain to the number of new flight attendants who actually entered Air Canada service during the years 1973 and 1974. The figures cannot, however, be related to the number of people interviewed during the same period, as someone interviewed during one year is often called for employment in a subsequent year, according to employment demands. Also, those who are interviewed possess only basic requirements. Following the first interview, a second interview is given to those identified as being most competitive. At the time of recall for this second interview, in the past two years, the airline has experienced a "no show" factor of between 14 and 38 per cent in the western Canadian provinces alone. At this second stage, the most qualified persons are selected and sent for a medical examination. If successful, they then wait for placement in a training course as openings occur. Competition among applicants steadily increases every year and while in 1973 there was one successful person out of every 13 applicants, in 1974 the ratio was one out of every 21. As well, the airline's requirement for new cabin personnel has decreased since 1973 and this has also tended to make competition more intense. 1. (a) 1973 (i) 197, (ii) 24; 1974 (i) 303, (ii) 37; (b) 1973 (i) 72, (ii) 4; 1974 (i) 159, (ii) 7; (c) 1973 (i) 265, (ii) 22; 1974 (i) 249, (ii) 10; (d) 1973 (i) 838, (ii) 66; 1974 (i) 869, (ii) 17; (e) (i) (ii) 0; (f) (i) (ii) 0.

2. Manitoba, (a) 1973, 21; 1974, 33; (b) 1973, 3; 1974, 7; Saskatchewan (a) 1973, 4; 1974, 5; (b) 1973, 0; 1974, 2; Alberta (a) 1973, 38; 1974, 14; (b) 1973, 3; 1974, 3; British

Columbia (a) 1973, 65; 1974, 21; (b) 1973, 15; 1974, 2; Yukon and Northwest Territory (a) 0; (b) 0. (c) Recruiting for flight attendants was done exclusively within Canada during 1973 and 1974 and only English and French mother tongues were recorded. (c) (i) In 1973, 58.5 per cent; In 1974, 51.1 per cent; (c) (ii) 53.

LANGUAGE INFORMATION FOR NEW IMMIGRANTS

Question No. 2,326—**Mr. Herbert:**

1. For what period of time does the Immigration Division of the Department of Manpower and Immigration retain language information for new immigrants?

2. Is such information retained on file (a) after the new immigrant finds employment (b) if the new immigrant changes his or her province of residence?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Information on the language capability of immigrants is recorded from information contained on their landing records and forms a part of the permanent statistical inventory maintained by the Department of Manpower and Immigration.

2. This information is a measure of the immigrant's language capability assessed at the time of application or interview and is not altered or updated at any time.

LIP—PROJECT APPROVALS IN KENORA-RAINY RIVER, 1972-73

Question No. 2,372—**Mr. Cossitt:**

With reference to the answer to Question No. 1,039 to the effect that a memorandum from the office of the Minister of Manpower and Immigration, dated January 30, 1973, addressed to Mr. D. C. Trehearne, then Director of Programmes for the Local Initiatives Programme, did not "in effect order approval of LIP projects in a number of named constituencies...", what then exactly did this memo do and what was the exact purpose and meaning of the following statement appearing at the top of the list of LIP projects in various constituencies: "It is requested by the Minister's office that the attached list of LIP applications be approved"?

Hon. Robert K. Andras (Minister of Manpower and Immigration): See answer to question 1,039, part 1, April 22, 1975.

$500 HOME OWNER GRANT

Question No. 2,385—**Mr. Schellenberger:**

Will the Minister reconsider the five year requirement that restricts the obtaining of a $500 grant, in most cases, for mobile home owners who do not stay in any location for five years and can only obtain a two year lease from most mobile home parks?

Hon. Barney Danson (Minister of State for Urban Affairs): It is not intended to reduce the period from five years to two years, for mobile home owners wishing to obtain the $500 grant.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-25, an act to amend the Privileges and Immunities (International Organizations) Act.

[Mr. Marchand (Langelier).]

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (STATUS OF WOMEN) AMENDMENT ACT, 1974

MEASURE TO ESTABLISH EQUALITY OF STATUS FOR MALE AND FEMALE PERSONS UNDER CERTAIN STATUTES

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-16, to amend certain statutes to provide equality of status thereunder for male and female persons, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, it is most appropriate in this International Women's Year that we should concern ourselves with legislative action to remove a number of prejudicial or discriminatory provisions from federal statutes. While today I will be presenting an omnibus bill containing amendments to several acts, I would also like at this time to place in context the movement toward women's equal status in Canada.

The status of women is certainly not a new issue in our country. Back in the early 1900s dedicated Canadian women like Nellie McClung fought to give women the vote. In 1913 the premier of Manitoba advised Nellie McClung that he "didn't want a hyena in petticoats talking politics" to him. Nonetheless, by 1916 the women of Manitoba had won the right to vote provincially. The other provinces, with the exception of Quebec, granted the vote to women shortly thereafter.

It was not until 1929, however, that women won the right to appointment to the Senate. It was in that year that the Privy Council in London declared women to be indeed "persons" for purposes of Senate appointment. Today there are nine elected women members in the House of Commons—and I am pleased to note that eight of them sit on this side of the House—

Some hon. Members: Hear, hear!

Mr. Lalonde: —and seven women senators. While this representation is high in comparison with the representation a decade ago, it is curious to consider how proportionately small this representation is, for women constitute 51 per cent of our population.

The battle to gain the vote and the right to Senate appointment was in many ways comparable to the work being done in the present decade to bring women equality. However, it is necessary to change not only legislation but attitudes. Women's rights can be recognized in law, but laws are empty unless society accepts and supports those rights. Here in Canada during International Women's Year a major effort is being made to challenge some of the old and timeworn attitudes toward women. It is the year in which we are making every effort to inform all Canadi-

ans of the present status of women in this country. It is also a time for every person to consider his or her own attitudes. It is evident that legislative change alone would be a hollow victory for women, for if laws change and attitudes do not, women's position in our society will remain unchanged.

The discrepancy between law and practice is illustrated by the wage gap between women and men which continues to exist despite the fact that in all provinces but one, discrimination in employment is now prohibited by law. Back in 1962, a man working a full year in Canada was earning an average of $5,014, and a woman working a full year was earning $2,634. What progress has been made? Well, in 1971 the average woman's salary for a full year's work was $4,755; for a man the figure was $8,513. In 1971, women were still earning 44 per cent less than men. Recent data on salaries indicate this disproportionate gap is not narrowing.

● (1520)

In this connection, it is interesting to note that figures for Sweden indicate that in 1965 women were earning 75 per cent as much as men, and that by 1970 this had risen to 80 per cent. There may be several factors involved, particularly the fact that in Sweden, for instance, well over 50 per cent of women are in the labour force and many more are found in the higher paying professions than they are in Canada. But the facts still are there for everybody to see. Women have not yet achieved equality in Canada, and it is for this reason that International Women's Year can and must provide the impetus for change.

In 1967, the Royal Commission on the Status of Women began its hearings across the country, providing a forum for public opinion and an opportunity fully to investigate women's status. When the commission's report was tabled in the House in 1970, it included 123 recommendations which fell within federal jurisdiction. I am happy to report that a large proportion of these recommendations has either been implemented or is in the process of implementation. However, there are still some areas where the changing role of women has not been recognized. It was for this reason that my predecessor, the present Minister of Labour (Mr. Munro), introduced the omnibus bill on the status of women approximately one year ago. The election prevented the passage of the bill and it is for this reason that we are dealing with it today on second reading.

Before proceeding to a detailed examination of this bill, I should like to set it in the context of the government's program for International Women's Year, since, once again, legislative change is only one facet of the government's initiatives in this area. As I have mentioned, it is apparent that one of the major needs of this country is to inform Canadians on the status of women. The media campaign launched for International Women's Year Secretariat in January of this year was designed to that end.

While "Why Not!" may have been criticized by some, it generated a great deal of interest and support both in Canada and abroad. In fact, today more than 75,000 individual requests for information, posters and buttons have been received. This figure does not include the many hundreds of bulk orders handled by my office. About 150,000 buttons have been distributed. Lately, I have been wearing with great pride the one that I am wearing today. It is hand-made by Indian women in British Columbia. These women are very active with regard to women's rights, and the revenue from the sale of these buttons helps them in fighting for equality. In fact, we have started a small cottage industry at the same time as a public education campaign.

A second major part of the national program for 1975 is now launched in all the provinces and the territories. Each province and territory chose from a number of options the program which it was felt will best meet the needs of the people in that area. Eight provinces have decided to have mobile information centres. These will be travelling throughout each of the provinces and the Yukon during the summer months, distributing information on federal and provincial programs of interest to women as well as information on services and laws relating to women. Some of the provinces opted for conferences either on a provincewide or a regional basis. These would provide a forum for discussion of different issues concerning women and also a basis for determining future action.

The main thrust of the government's program is designed to bring the changing role of women clearly before all Canadians, for the equality of men and women will only come about when each person in this country sheds those attitudes that encourage inequality in fact if not in law.

To this end, amendments have already been made to the pension plan to provide equal treatment of men and women under the Canada Pension Plan and those changes became law on January 1. My colleague, the Secretary of State (Mr. Faulkner), has also brought before this House amendments to the Citizenship Act to ensure equal treatment under the act regardless of sex. Another measure related to equality before the law which the government announced in the Speech from the Throne is the human rights legislation. All these bills involve legislation eliminating those instances of bias in favour of women as well as those favouring men.

[*Translation*]

Furthermore, this bill is another step towards the achievement of the government's objective, that is the implementation of most of the recommendations of the Royal Commission on the Status of Women, which had already advised the government to enact some of the changes provided by the bill. As to the other changes which are put forward, they have been incorporated in the bill following the very useful and constructive recommendations made by the Advisory Council on the Status of Women, many agencies and individuals.

Before coming to the details of the changes provided under Bill C-16, I would like to mention that it is my predecessor as minister responsible for the status of women, the Minister of Labour (Mr. Munro), who took upon himself the responsibility of drafting the bill presented to the House today on second reading, and that he advised the government to prepare this omnibus legislation. I would be remiss if I did not emphasize the support we, my predecessor and myself, have received from our

colleagues responsible for the implementation of the various laws modified by this bill.

Bill C-16 modifies the following acts: the Canada Elections Act, the Criminal Code; the Immigration Act, the Public Service Employment Act, the Civilian War Pensions and Allowances Act, the National Defence Act and the Unemployment Insurance Act. Furthermore, the last elections showed us the appropriateness of the government's decision to introduce amendments to the Canada Elections Act within this omnibus legislation. Even if the Royal Commission on the Status of Women had not taken into account the problems raised by the implementation of this act, the government has received many representations from citizens interested in this question, and has decided to amend it and shape it according to the idea of the condition of women in our society today. For example, some women have pointed out to us that the Canadian woman still appears on the electoral list according to her marital status, even if women have enjoyed the right to vote for half a century. Unfortunately, those changes could not be implemented before the last election.

● (1530)

Under Bill C-16, voter registration rules are the same for both men and women. The enumerators would therefore register the name, address, occupation and sex only of each voter. This would automatically eliminate the need for mentioning the marital status of women, by prefixing their names with the abbreviation Mrs. or Miss, as is now done.

The voter, whether male or female, will be registered under the given name and surname by which he is known and the polling division, without the need to prefix them with an abbreviation. Therefore, a married woman known locally by her maiden name shall be registered under that name. The special rules now applying to women, whether married, divorced, single or widows, would be repealed, thereby eliminating a source of problems sometimes stemming from a false interpretation of the act.

Where the name of a husband or wife is entered below the name of his or her spouse, no occupation is required to be placed after the name of the second spouse if the latter does not request so. The changes also include, concerning residential quarters of husbands of wives filling a temporary job, a provision similar to that concerning wives of temporary workers. Secondly, the omnibus bill amends the Criminal Code. For example, section 23(3), under which it is now presumed that the wife was forced by her husband to assist a party to an offense, is now repealed.

The Royal Commission on the Status of Women included a recommendation to the government that the section be amended, so it would apply equally to both spouses. Participants to the conference of commissioners on standardizing Canadian law, held in 1971, were submitted that recommendation. The royal commission recommended the elimination of that section in order that wives be on an equal footing with husbands, because the presumption of constraint on which it was based was no longer acceptable.

The Royal Commission had pointed out that section 18 of the Criminal Code also states that there cannot be any presumption that a married woman who commits an offence does so under compulsion by reason only that she commits it in the presence of her husband. It follows that the wife must prove that she acted under the compulsion of her husband, as she would do if she pleaded compulsion in any other case under criminal law. However, subsection 2 of section 23 of the Code recognizes the special relationship between spouses since it rejects the idea of accessory after the fact in the case of a married person assisting the spouse for the purpose of enabling the spouse to escape.

On the other hand, the amendments to section 197 of the Criminal Code underline the wish of women to have equal responsibilities and equal rights. As you know, people related by marriage, adoption or blood have in general maintenance responsibilities. Indeed, the law forces some members of the family, spouses parents, children, to contribute financially to the support of other members who cannot support themselves.

Thus, parents whose children cannot support themselves because of their age or physical incapacity must provide for them. In the same way, children of old and destitute people must provide for their essential needs. People who think that most women are still unable to take on this responsibility will recall that the pension is generally established on the basis of need and financial means.

Therefore, the law does not aim at taking action against the spouse whose resources are limited if he or she does not support his or her unemployed spouse. For practical purposes, cases of refusal to support a spouse are most often submitted to the civil courts.

At the present time, all Canadian parents are held responsible under the Criminal Code for the support of their children and all husbands are held responsible for the support of their wives.

Such a provision enshrines or perpetuates the belief that all wives are dependent upon their husbands, and ignores the contribution, direct or indirect, they make to the economy. While many Canadian women are actually financially dependent, an increasing number are self-sustaining and the existing legislation does not reflect this situation. The Divorce Act, however, provides for mandatory reciprocal maintenance after marriage has been dissolved.

Under provincial laws, spouses must provide for the needs of each other during marriage. The Royal Commission on the Status of Women has noticed that the project on the family law put forward by the Ontario Law Reform Commission recommends that the obligation to support the spouse during marriage be made reciprocal.

The proposal to extend to the wives as well as to the husbands the obligation to support her or his spouse is consistent with one of the basic principles stated by the Royal Commission on the Status of Women and it reads as follows:

> . . . there should be equality of opportunity to share the responsibilities to society as well as its privileges and prerogatives.

The Royal Commission on the Status of Women has already recommended that either spouse be responsible for the financial support of the other and of their children. The amendment which is introduced today will make the act consistent with the principle of association in marriage. It also reflects the concern of the Advisory Council on the Status of Women and of most people who share the

view that the rights of the married woman must be the same as those provided for in any economic and social partnership involving mutual responsibilities. The Immigration Act, the third act being amended by the omnibus bill, does not actually provide for any distinction between men and women.

However, the Royal Commission on the Status of Women called the attention of the government to the fact that the wife's right to enter Canada as an independent immigrant can be limited by the use in the act of the term "head of family" which traditionally describes the husband. Indeed, at present, it is implicitly provided in the act that a wife may ask to be admitted in Canada on an independent basis, since "head of family" means, and I quote:

that spouse who is financially responsible for providing for the needs of the family on a permanent basis.

In order to implement the recommendation of the commission and, more recently, that of the Advisory Council on the Status of Women, the government took advantage of the drafting of the omnibus bill to amend the terms of that act and thus clarify its meaning while avoiding any reference to the sex of claimants.

The Royal Commission on the Status of Women had also noted, but, without making any recommendation in that regard, that family dependents can be included in the deportation order issued against a head of family. Bill C-16 prohibits this practice from now on when the dependents are Canadian citizens, have been lawfully admitted to Canada and have attained the full age of 18 years, or have acquired Canadian domicile.

The fourth act amended by this bill—The Public Service Employment Act—now provides that the Public Service Commission, in prescribing selection standards, cannot discriminate against any person by reason of sex, race, national origin, color or religion. Since that provision dates back to 1967, that is before the Royal Commission on the Status of Women in Canada was set up, the commission did not make any recommendation in that regard. However, other people found that, even when discrimination by reason of sex is prohibited, discrimination by reason of age and family situation can take place against men, but especially women. That is why the omnibus bill adds those elements to the list of forbidden grounds for discrimination in setting out the implementation of those selection standards.

● (1540)

Age is also removed from the list of selection standards which can be prescribed to determine the basis of assessment of merit in relation to any position or class of positions. Furthermore, through amendments to the Pension Act, the Civilian War Pensions and Allowances Act, which deal with the disability pensions paid to members of the Canadian armed forces, Bill C-16 provides for an equal status for men and women.

Although neither the royal commission nor the advisory council have really concerned themselves with those amendments, the government has included them in the legislation so as to put men and women on an equal footing under those acts. From now on, the husband and children of women who receive disability pensions will be entitled to the same benefits as those paid to the dependents of a male member of the Canadian forces. At the same time, pensions will be paid both to widowers and widows in order to ensure full equality.

Another amendment flowing from the above contains the rules for the payment of pensions to spouses who are both members of the Armed Forces. Further, the children of both sexes will receive pensions until they are 17 years old, while at the present time, these pensions are not paid beyond age 16. On the other hand, children attending school will be entitled to a pension until age 25, and not until age 21, as it is the case now.

The National Defence Act, although the Commission did not dwell on it, is another act being hereby amended. As a matter of fact, every summer, there is a section of the Act which prevents young girls from joining cadet organizations, and they have complained to the government. Therefore, the legislative text, using the word "boys" instead of the word "persons" would allow girls to become members of the cadets corps. There is no longer any reason to exclude them from this organization.

The last Act being amended by Bill C-16 is the Unemployment Insurance Act, 1971. Indeed, according to the Royal Commission of Inquiry on the Status of Women, if Canada wants to respect the agreement made to avoid discrimination against women who bear children, those of them who have chosen to work must not risk losing their jobs, income, security or promotion opportunities when they give birth to a child. In 1971, pursuant to the Commission's recommendation, the government had amended the Unemployment Insurance Act to provide benefits to be paid during 15 weeks at the time of maternity leave. Three years after the implementation of the legislation, however, it appeared necessary to grant greater freedom in the distribution of the 15 weeks of maternity leave. The Advisory Council on the Status of Women, as well as other groups, advocated that measure.

In fact, because it is difficult to know in advance the exact week of the termination of pregnancy, women are denied part of the benefits to which they are entitled under the plan; administrative problems also arise. Therefore, the purpose of the amendment is to relax the provisions on the opening of the 15-week period during which maternity benefits are paid, depending on the week in which her confinement occurs and within the initial benefit period for the recipient, which will permit women who prefer it this way, either for health or any other reason, to reserve most of their maternity leave for after the child is born. These amendments will apply effective six months after Bill C-16 receives royal assent. I should like to remind hon. members that this legislation will provide women who chose to contribute to the welfare of their families and society, while assuming their function as mothers, with benefits similar to those previously granted to veterans and which permitted them to take up a career following their return from military service.

[*English*]

These amendments will serve to bring equality one step closer. Yet, as I mentioned earlier, we must be concerned that such legislation does not become merely a palliative to the problems surrounding women's status—legislation must be considered in the broader context of providing

part of a viable base for true equality within our society. Earlier I mentioned the International Women's Year media campaign on the status of women. Sometimes I think it is possible for us to lose touch with the very real concerns of women in Canada, and yet one of the most gratifying results of this media campaign was the hundreds of letters received from women and men across the country. I would like to just quickly read from several of them. One of them was addressed to "The People of this Organization". It read:

> I really agree with you. Women are people too and are to be recognized among their community and country as basketball players, politicians, lawyers, doctors, store managers, construction workers and matadors. Not only as secretaries, playboy bunnies, typists and sex objects.
>
> I am only 12 years old but I am not dumb and I realize the work and responsibility nearly every woman has.

From British Columbia we received a long letter from a woman in her mid-fifties, who ended with this story:

> My husband being between jobs, I took work as housekeeper-nurse to an old, aristocratic man. During the interview he was shocked to hear that besides feeding the three of us, he was expected to pay me the fee of $100 per month. "I never paid my wife", he said. "I used to take her to tea once a month. Which I am willing to do with you." This man was the epitome of male supremacy. He thought all females should deem it an honour to wait on him hand and foot. Hooray for Why Not! Too late for me. But I have daughters.

Another, again from a young girl:

> Please tell me why a girl can't go into training to become a bank manager. I've approached two different banks in Lethbridge, Alberta. They laugh at me for even thinking of such a ridiculous career for girls. Why can't we be managers as well as men? Isn't this discrimination?

These letters are samples of hundreds received. It is only fair to add that not all have been positive, but the vast majority have been warm and positive.

Women's equality is not an esoteric issue. The prejudice that continues to exist has very real consequences for women in this country. While individual choice is considered a basic democratic freedom, it is evident that "choices" are still often arbitrarily limited for women. It must be the personal commitment of each woman and man in our society to work for the creation of equal choices, equal rights, equal opportunities and equal responsibilities. Ingrained prejudice and fear will only disappear when all people in our society are convinced that anything less than equality is an affront to human dignity.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, along with the Minister of Finance (Mr. Turner) I had expected at one point this week to be on my feet in this House speaking on the budget debate, but the Minister of Finance has seen fit to defer that particular pleasure for me. My keen disappointment in respect of the delay of the budget is somewhat tempered by the fact that today we are dealing with this omnibus bill concerning equality of status for men and women. This bill has been around for over seven months in this new parliament. I am pleased to have an opportunity to speak to it and to respond to the minister this afternoon. I regret that the powers that be have seen fit to schedule some five House committees to meet while the debate on this important subject is going on. I think that further thought might be given to that sort of thing in the future.

● (1550)

Both my male colleague, the hon. member for Fundy-Royal (Mr. Fairweather), and my female colleague, the hon. member for Kingston and the Islands (Miss MacDonald), have special responsibilities and interests in this bill and its subject matter and it is only because of their necessary absence from the House on other business which took them out of the city that I am afforded the opportunity this afternoon of replying to the minister. In some respects, I cannot help but feel a little bit like Edward Heath might feel doing Margaret Thatcher's laundry. I am sure he would feel he could not do it nearly as well. But that, after all, is an essential feeling to be experienced on the road toward equality of the sexes and I approach this job this afternoon with both pride and relish.

[*Translation*]

It is but rarely I have the opportunity to take part in a debate with the Minister of National Health and Welfare (Mr. Lalonde). We do meet casually from time to time to have a hamburger or a milkshake together, but it is so infrequent. It's a manner of speaking, nothing more. But, apart from those food issues, some might say that a steady diet from the minister will make you sick. I am not prepared to support automatically the ideas of his friends from the right wing of the Cabinet.

[*English*]

The minister has presented an omnibus bill today which proposes a number of changes in various statutes designed "to provide equality of status thereunder for male and female persons." With regard to many of these items, this omnibus bill represents what you might call a tidying-up operation. The bill changes the form of the language in other bills. I am not suggesting for a moment that these are not important changes, but in three areas the bill makes very significant changes: in respect of pensions, in respect of cadet services, and in respect of unemployment insurance maternity benefits. The minister covered the various aspects of the bill in some detail and I will not use the time of the House to repeat the sort of analysis that he has made.

So far as the bill goes, it is welcome. I am sure the minister will not be offended; he will probably agree with me when I say it is long overdue. In the context of the problems with which it is associated, while it is certainly necessary it is far from sufficient. So far as the general subject of the status of women is concerned, the minister, as one might have expected, endeavoured to create an impression of considerable encouragement. I want to be fair to him. He certainly indicated that there was a great deal to be done, but that progress had been rather limited. He indicated that perhaps some other countries had done rather better than we had. However, I do not find this quite as encouraging as he did.

When I look at the realities that present themselves, particularly when I think of what the government, as a government, is proposing to do and this parliament will be asked to do, without in any way wishing to suggest that the minister is indulging in any misrepresentation I simply ask the House to consider the possibility that in this instance his well known enthusiasm for what this

government is doing has surpassed his respect for the facts. The facts as they exist are certainly no basis for self-congratulation or complacency, and I do not think the minister would say they were or indeed said that they were. On the contrary, the facts give cause for concern and a greater sense of urgency than the minister conveyed this afternoon—a sense of urgency which I believe the government does not possess.

Among women in Canada there is a very wide range of concerns relating to equality of status. I propose to limit myself pretty substantially to women in the world of work in this country. The minister cited some figures to show that not much progress has been made in Canada. The Advisory Council on the Status of Women has published figures to illustrate that the actual number and participation rate of women in the labour force is steadily increasing. Canada's rate remains significantly lower than that of Australia, West Germany, the United States, Britain, Japan and Sweden.

Furthermore, in Canada working women are concentrated—not entirely but there is a heavier concentration—in central Canada, with Ontario having the highest rate, and a high percentage of women work in service industries with occupations in clerical, service and sales positions. I do not want to suggest for a moment, by inference, that there is anything wrong with a woman staying at home and looking after her family if that is her choice, freely made. There is no more honourable occupation and career for a woman to pursue, and she should have the free choice to do that or to go to work.

In Canada, working women are younger and more often single than are working men. For women who must care for pre-school age children, the obstacles to steady and progressively more rewarding employment are enormous. As I understand it, child-care centres meet only 1 per cent of the need. Therefore, many women are limited in the hours that are available to them for work outside the home. Conditions are difficult for expectant mothers as well as for existing mothers. Maternity leave provisions are for the most part, as I understand it, quite unsatisfactory. Maternity benefits paid through unemployment insurance have been inequitable and we are pleased to see some improvement proposed in the bill before us.

There is no question that the definition as it existed, of 15 weeks for benefit eligibility, has been poor legislation. In the proposed flexibility the 15-week period will make a good deal more sense to all mothers, including mother nature. How in the world, under the existing section of the act, was a woman supposed to know her date of delivery eight weeks in advance? How she was supposed to know has certainly been a source of mystery to me as a father of four children.

It may very well be that the Prime Minister (Mr. Trudeau) appointed the Postmaster General (Mr. Mackasey)—who was the minister responsible for the department in question at the time the unemployment insurance provision was made—out of respect for the hon. gentleman's ability to forecast delivery eight weeks later. The sad part is that if the lady in question did not guess right in the game of what you might call reproduction roulette, she would suffer an economic penalty in her unemployment insurance benefits. That has been bad law and we will be delighted to see it expunged from the Canadian statutes. The improvement proposed in this bill does not, however, in any way remove the need for a comprehensive review of this country's unemployment insurance program—something which has been long promised by this government—a program which it is now forecast will cost between $3 billion and $3.5 billion this year. The maternity benefits paid out will constitute only a small fraction of that amount.

● (1600)

I referred a few moments ago to the facts and to the realities which are with us, but they do not seem to impress the minister quite as much as they impress me. There is no shortage of either data or conclusions on the subject of the status of women in Canadian society. I do not intend to be exhaustive this afternoon, and I pray I will not be exhausting, but in my remarks I do hope to cover enough ground with enough emphasis to make a dent in any self-satisfaction anyone in this House might happen to have with regard to the progress we have made toward equality of the status of women in the world of work in Canada.

In looking at the situation as it exists today I will be making use of research material from four sources. One source is the February 1, 1974, report of the Advisory Council on the Status of Women. There is detailed study of women in business by Jones E. Bennett and Pierre M. Loewe which is being featured in a current series in the *Financial Post*. The Canadian Broadcasting Corporation conducted an internal task force study in 1974 on the status of women in that organization. Fourth there was information provided to the miscellaneous estimates committee by Mrs. Irene Johnson, one of three capable women holding the rank of deputy minister in the service of this government.

Quite a disturbingly consistent picture emerges when all these four sources are examined. One gets an impression of how things are going in the strictly private and strictly public sectors as well as in the mixed context of organizations such as large federal Crown corporations. Across the board the picture is not encouraging. This is what we find in very recent canvasses: the "typical" Canadian private firm has major inadequacies of equal opportunity, particularly in terms of job access and of compensation. The *Financial Post* study cites these inadequacies in this way: due to historical labour patterns of today's "unwritten law," some jobs remain "men's" and others are "women's." Since "men's" jobs are generally of a higher status than "women's," women make less money, are less likely to be trained, have fewer advancement opportunities and hold a small proportion of decision-making power.

Contrary to popular belief, "ghettoization" of Canadian working women has become worse. This is a hard thing to have to say, but I think it has to be said. It has become worse, not better, over the last decade. For example, the proportion of clerks who are women rose 3 percentage points in that decade. In Canadian business, the average woman earns 45 per cent less than the average man, and I believe the gap actually worsened between 1972 and 1973. A female Canadian worker is 2½ to three times less likely to be trained than a male. Advancement opportunities for

women are largely limited to those labelled "women's" jobs and have improved little since 1962, and only 4 per cent of women are managers as opposed to nearly 13 per cent of men.

Pension plans, group life insurance, disability and medical plans may contain sex-based differences in coverage and employee contributions. Most Canadian firms still have one or more such differences in their benefit package. Reimbursements apply to a "wife" rather than to a "spouse," so that a female employee cannot recover her husband's expenses. A sizeable minority of organizations still have these or similar provisions in their arrangements.

Though equal pay for men and women in identical positions is apparently not much of a problem in Canadian private business, facts on equal pay for work of equal value are unclear because of a sort of "chicken and egg" dilemma. It is just impossible to know if women's jobs have been improperly downgraded because women are in them or, alternatively, if women have been relegated to them because they are less valuable jobs. Much discrimination hides behind this curtain of confusion.

An inaccurate stereotype of women seems to influence every step in the employment and advancement processes, perpetuating occupational segregation and unequal distribution of corporate wealth. Most Canadian firms use sex-stereotyped recruitment materials and processes. Women are typically excluded from serious consideration for most jobs labelled "men", and vice-versa. Women who make it to the interviewing process are often discouraged from "men's" jobs by male decision-makers. Job evaluation and salary programs may not rate "men's" jobs and "women's" properly, relative to each other.

The *Financial Post* study also calls particular attention to the dilemma of secretaries in business. Secretaries—99 per cent of whom are women—frequently feel that they and their work are not valued and that they are mistreated by male bosses, particularly with regard to personal services expected of them such as getting coffee and doing personal errands for the boss. Another major source of irritation and resentment among secretaries is that a secretary's salary is determined by the organizational level of her boss rather than an evaluation of her specific job duties. Secretaries in almost every large Canadian organization are rug-ranked in this way. This practice causes considerable resentment among women due to dependency on men and the inequities among secretaries it creates.

We are all aware just how large an issue this is among secretaries in the federal public service. I understand that it is no different in the private sphere. Secretaries find it especially difficult to pursue other opportunities within their companies because in many companies advancement is restricted to the secretarial career path for women. In addition, there is a natural tendency for bosses to hang on to good secretaries.

Based on labour force statistics, two general conclusions can be drawn about the job status of women in the typical Canadian company. First, the "ghettoization" of women into low-skill, low paying jobs has increased in the past ten years. That is a sad thing to have to say and I would be pleased indeed if someone would disprove it in this House.

[Mr. Stanfield.]

Second, there is a universal gap between the representation of women in companies and their share of influence. While the participation of women in managerial jobs is improving, at current rates it will be literally a century before they reach a proportion consistent with their level of participation in the labour force.

● (1610)

[*Translation*]

But this is far from sufficient. Those who are concerned by the issue, particularly the governments, the unions and other responsible persons, should stop mouthing platitudes and do everything within their power to speed up the process. As far as the government is concerned, much remains to be done, both within departments and Crown corporations.

[*English*]

Here are the findings of the Canadian Broadcasting Corporation task force, the work being done in the year 1974:

> The task force interviewed some 850 CBC women across the country. It found, somewhat to the surprise of both the task force and management, that the large majority of women were dissatisfied with their status in the corporation. Time and again, women expressed their frustration with such bitter observations as: "We're watched over like three-year olds"; "The CBC is a man's world"; "All they want to know is if you can type"; "Women are ground down in this location".

The task force concluded that at the root of the dissatisfaction was a feeling of powerlessness among women. The working environment and careers of CBC women were controlled by a male majority of three to one who held an even greater proportion of decision-making power, 93 per cent of managerial jobs, and whose underlying beliefs about women's appropriate role at work differed drastically from the view held by the women as to their own roles. To oversimplify—I am still talking about the report of the CBC—the majority of men interviewed seemed to believe that "a woman's rightful place is in the home rather than out working," while the majority of women felt that "women should be equal partners with men in the world of work." Furthermore, this task force found that accompanying the women's feeling of powerlessness was deep frustration at seeing little real change.

The task force reasoned that this polarization of attitudes was due, at least in part, to fundamental differences in the ages and marital status of the people involved. Some 60 per cent of the women were under 35 and their attitudes were formed in the rapidly changing environment of the 1960s. In contrast, the same proportion of CBC men were over 35, the largest number being in the 45-49 bracket, with basic viewpoints shaped in the more tradition-oriented 1940s and 1950s. I was fortunate enough to have my views formulated in the very radical 1930s.

Moreover, nearly two-thirds of the women were single, while nearly three-quarters of the men were married—with their views on the appropriateness of careers for women naturally being influenced by the activities of their wives, most of whom did not work. Women were found by the task force to believe that men were basically oblivious to their dissatisfactions and concerns and had no real inclination toward equality of opportunity.

Turning to government service itself, I am sure that hon. members take absolutely no satisfaction from the fact that Mrs. Irene Johnson, a member of the Public Service Commission, told the miscellaneous estimates committee recently that, despite efforts to recruit bright young women for careers in government, more than 98 per cent of the top jobs are still held by men. Mrs. Johnson said that at present 20 of 1,200 executive level bureaucrats are women, compared with nine of 868 in 1973. She told the committee, "Statistically there has been no progress".

[*Translation*]

Mrs. Johnson stated that the commission had very badly failed to bring able women over to the public service. The commission is now focusing its efforts on women who are already working within the public service, but that initiative yielded only 25 women who would have the required potential to occupy a post in an executive capacity.

[*English*]

The commission has managed to increase the proportion of women in the career assignment program, a training school for potential executives, to about 30 per cent. However, only about 50 of the 500 program graduates to date are women. Mrs. Johnson said the pool of available female talent remains too small to make appreciable progress. "It's hard to make perceptible gains when you have such a small base to work on," she said. Little trace remains of anti-female bias in government departments and greater progress should be made in the future, she said.

So I repeat, Mr. Speaker, the evidence from all quarters is clear and cries out for attention. The pace of progress is too slow and the government has to accept some responsibility for some of the foot-dragging. The minister may talk about other actions yet to come. When? Surely he does not feel that the campaign he conducted earlier this year, for example, is anything like an adequate response to the type of challenge I have been describing this afternoon? When are further actions to come?

The minister and his colleagues may go on making references to human rights, but he and others cannot escape the import of the bulletin issued by the Advisory Council on the Status of Women following a Vancouver meeting in mid-January of this year, which stated:

> The major recommendations proposed by ACSW members at the meeting in Vancouver concerned the establishment of a federal human rights and interests commission. A wire sent by ACSW to Marc Lalonde, minister responsible for the status of women, read:
>
> "The ACSW strongly condemns the federal government for its inaction on human rights legislation. As early as July, 1973, this legislation was clearly identified as the ACSW priority and in December, 1973, cabinet approval in principle was announced. The action of the federal government to date has consisted of nothing but ineffectual promises. ACSW demands immediate introduction of the human rights legislation."

I may say in all modesty, Mr. Speaker, that as early as the winter of 1972 and again in May, 1973, I proposed the establishment of a human rights commission as a very substantial measure of working toward equality for the status of women besides making certain that other sorts of equality exist in the country. I do not mean to suggest that it is easy to produce effective human rights legislation, but I say to the Minister of National Health and Welfare (Mr. Lalonde) and to the Minister of Justice (Mr. Lang) that expectations were raised by the government—commitments were made over two years ago—and the tone of the message from the Advisory Council on the Status of Women must surely indicate that there is no acceptability for complacency and indefinite delay.

The United Nations has proclaimed 1975 to be International Women's Year. Canada is participating in the promotion of the year but I fear we have a way to go before we can be said to be really participating in the spirit of the year. As individuals, we must all share some responsibility for that. As members of parliament, our burden is larger. The burden is heaviest of all for those who occupy the treasury benches. It is a burden that cannot be shrugged off by any of us. It certainly cannot be shrugged off by members of the government. The cause of equality would be far better served if the government stopped pretending that things are going well and it is doing as much as it ought to be doing in this field.

● (1620)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, today we are dealing with Bill C-16, the omnibus bill on the status of women which will provide needed changes to existing legislation ranging from unemployment insurance to the Canada Elections Act, the Immigration Act and the National Defence Act respecting female cadets.

Every day I am in the House of Commons I see the Minister of National Health and Welfare (Mr. Lalonde) wearing his International Women's Year button which states "Why Not!". When I look at this government's record of legislation in implementing the recommendations of the Royal Commission on the Status of Women to end discrimination against women in this country, I think it would be more appropriate, instead of wearing a button saying "Why not!" if the minister wore one saying "Why Bother?"

The record of this government in trying to eliminate discrimination based on sex is very sad. The cold, hard facts are that despite the throne speech promises and the pious platitudes from the minister, women in Canada are still discriminated against in the areas of job opportunities, job positions and rank, pay and legislation presently in existence at both the federal and the provincial level. They are also discriminated against in the government's own civil service and its operations.

The sad fact is that legislators have been too slow to react to the demands of women for equality in our society. Legislation to end discrimination against women has never been a high priority item for this government. The Royal Commission on the Status of Women began its hearings in 1967. Of the 122 recommendations it made which apply to the federal government, to date only 42 have been implemented. This bill will raise the number to 50.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. I am sure the hon. member would not like wilfully to mislead the House. I tabled in this House some time ago a full and complete answer on the question of how many recommendations of the royal commission have been implemented and the figures contained therein do not coincide with those being put forward by the hon. member. The correct answer is in the records of this House. If the hon. member

will check the evidence, he will find that he is not correct. I hope that he is not wilfully misleading this House.

Mr. Symes: It would be interesting to see the list, because some of them have only been partially implemented. I am talking about those which have been fully implemented. If I am in error, I stand corrected. I wish the minister would give the exact figure. The basic point is there were 122 recommendations and this government is far short of implementing them.

The roles for women in our society today are narrow, restricted and often onerous. There is still too much stereotyping, stating that the woman's place is in the home. Certainly, many women—perhaps the majority—feel that being a homemaker is a very rewarding and fulfilling experience. I have no quarrel with that whatsoever. However, if this is to be a just society with equal opportunity, an option should be open to women who do not want to conform to the role of homemaker. That option should be open to them without discrimination or impediment.

We find that many women in the home have the problem of being isolated from each other and from society at large. They often have to experience life through the achievements of their husbands and children. Many women I have talked to feel trapped in the home situation. Although it is rewarding for them to raise their children and prepare them for adulthood, many find it frustrating and inhibiting. They feel their creativity can only be channelled in a family direction rather than being free to pursue interests outside the family such as employment or further education.

Women in the home who would like to take courses or work part time are frustrated by the lack of child-care facilities in this country. What we have in child day-care centres today meets only 1 per cent of the need in this country. Because of inflation, many women who would like to stay at home and be with their children are forced to find work to supplement the family income so that their children may have a decent standard of living. For them, the lack as well as the expense of day-care facilities defeats the whole purpose of supplementing the family income.

Another situation of which we must remind ourselves is the degree of poverty that women face. Most women work in the home with no pay and no pension. The frightening fact is that in this country 60 per cent of those on welfare are women. Female heads of families are five times more likely to be living below the poverty line than male heads of families. Indeed, 40 per cent of women who head families in this country live in poverty.

This sad fact rests with this government's lack of initiative to bring in a guaranteed annual income and to provide adequate public housing at a cost these people can afford. It is not the fault of many single-parent families, especially those headed by women, that they are in this situation today. This government, through its inability to work out a guaranteed income scheme with the provinces, puts women and their families in an intolerable position. I see this whenever I am in my constituency and have appointments with my constituents. I can relate case after case of women who are experiencing abject poverty and extreme social and psychological stress because of the discrimination of legislation at the federal and provincial levels and because of the lack of policy in the social welfare field to alleviate these conditions.

● (1630)

What do you say to a separated wife who has a two-year old child to support, who is living in an upstairs apartment with no water facilities and has to carry water up in a bucket from downstairs. According to the regulations and laws governing payment of social benefits, she cannot move out of her apartment because she cannot afford any other situation. What do you say to her when she says, "I want to do something for my child. I want to raise him in an adequate home environment so that he will not become a delinquent or fall into the kind of poverty I see around me"? Or when she asks, "What am I supposed to do—go out and walk the streets to supplement my income?" We do not have answers because of the government's failure to implement programs along the lines I have described.

I could go on and on mentioning case after case of unmarried women who have decided to support their children, and the kind of difficulties they face. One woman desperately wants to work but cannot find day-care facilities for her child. These are the problems of poverty which face hundreds of thousands of women.

In addition, women face severe job discrimination. One-third of Canada's labour force is female and one-third of all married women work away from home. If we look at women's wages, we find they are significantly less than men's. When we examine people in managerial occupations, we find that the wages of men exceed the average wages of women by 107 per cent. If we examine clerical occupations, we find that on an average men's wages exceed those paid to women by 56 per cent. In the service industries the male wage exceeds that of the female by 112 per cent, in sales occupations by 167 per cent, and in professional and technical occupations by 66 per cent.

This discrimination exists in Canada today despite all the promised legislation and existing legislation. The inevitable conclusion is that the laws are not working to end discrimination in pay rates. Nor does it help if women get a higher degree of education. Studies have shown that men with no education receive wages which are 84.5 per cent higher than wages paid to women with no education. But suppose a man and a woman hold equivalent university degrees: the man receives 84.4 per cent more than the woman who is similarly qualified. From a survey of 74 occupations from 1969 to 1972, we find that the gap between men's wages and women's wages widened in 37 of those occupations; that is, in half of them.

It must be conceded that the government has failed to end discrimination in this field and that the situation is getting no better. Women have become a reserve pool of cheap labour and they are the least secure of all those in the labour force since they are most affected by lay-offs. Many employers use the existence of cheap female labour to blackmail male employees into accepting lower wages. Wage discrimination cannot help but promote hostility between men and women in the work force. Can you imagine the attitude of a man and a woman working side by side as senior accounting clerks when the woman,

doing the same job as the man, earns only $117 a week and the man earns $151? Or a male X-ray technican earning $618 a month and doing the same job as a female who is earning only $576 a month? Or a professor in a university—if she is a woman she earns $19,750, while a male professor in the same faculty earns $20,635?

Example after example can be given to show that women are heavily represented in the worst paid occupations and in occupations subject to the poorest working conditions. If we look at women in the labour force, we find that one-third are in clerical occupations, one-third are in service occupations, less than one-fifth are in professional and technical occupations, one-tenth are production workers and only 4.2 per cent hold managerial or executive positions. This pattern is hardly an improvement over that of a decade ago.

If we look close to home at the situation in the government's own public service, the situation is equally bad. Since 1971, the gap between salaries paid to male and female public servants has actually increased. The median increase for men in the public service since 1971 has been $1,500, but for women it has been only $1,000. In the annual report on the public service tabled a few days ago we find that 77 per cent of the women in the public service earn less than $10,000 a year, but that only 46 per cent of the men earn less than that figure. Women make up 32 per cent of the total number employed in the public service, but hold only 2 per cent of the senior executive positions, 33 out of 1,614, and only 1 per cent of those in the senior management category, 17 out of 1,300 posts. We read in the women's bureau report issued by the Department of Labour the following conclusion:

> Although women workers still represent one-third of the labour force, they do not occupy a place in the labour force remotely proportionate to their numbers either in terms of occupational distribution or in terms of compensation.

There has been little improvement when it comes to ending discrimination against women in our society. We have polarized women into low paying and dead-end occupations.

I should also point out that the equal pay laws now on the books have no effect in areas where only women are employed. They apply only where both men and women are engaged in the same or similar work; where women only are employed, the laws are totally ineffectual. We need strong and enforceable laws to end discrimination against women on the grounds of sex, in terms of promotion, training and hiring as well as pay. To achieve this end, the law must first of all be written in clear language; it must be enforceable. Second, penalties should be provided to encourage full adherence. In Ontario, the maximum penalty for violating the human rights legislation applying to women is only $5,000, and not one case has been judged in this area to date.

● (1640)

We also need to make sure that the administrators of the law—that is, the government civil servants administering the law—are sympathetic to the intent of the law, and that the enforcers of the law, the courts, also have the proper attitude. We also need a campaign to promote the education of employers and employees as to what is the law and what are the rights of women under the law.

In this regard I ask the minister, why is there the delay in establishing the federal commission on human rights as recommended by the royal commission in 1971? The government has indicated that it is sympathetic to the idea, but we have not yet had this legislation. What we need is an independent commission with some power of investigation and prosecution so that the laws we design can be enforced. We should also have legislation to provide class action for women in the work force who as a group would be able to sue an employer for across the board discrimination in pay or working conditions. One individual female worker going up against General Motors is certainly not going to have much chance of success.

In regard to bringing in legislation and policies to end discrimination, I am proud to say that the New Democratic Party has had, as a matter of policy for many years, ideas and recommendations promoting equality of the sexes in the work force. For many years in this House we have espoused these ideas. The former member for Vancouver-Kingsway, Mrs. Grace MacInnis, was a pioneer in raising women's issues and in trying to get the government moving in this direction.

If we are to do something significant to end discrimination against women in our society, I suggest we implement some recommendations along the following lines. We should have vigorous and tough laws, enforceable laws that prohibit discrimination because of sex or marital status in the recuitment, classification, promotion, dismissal and advertising of jobs. We should make provision for child-care centres for children of all ages, which are free, community controlled and available 24 hours a day. We need tough laws, strictly enforced, to provide equal pay for work of equal value and to provide incentives to achieve this goal.

We need the provision of maternity leave with pay, of whatever duration the woman and her doctor deem necessary, and at the end of that time the right to return to her position without penalty as to seniority or salary. In the bill before us is, finally, an amendment to the Unemployment Insurance Act that would end some of the discrimination in the granting of maternity leave. However, even the amendment that the minister is proposing is very weak. The amendment allows about 15 weeks' maternity benefit, paid partly before the pregnancy and partly after the baby is delivered. Why not take the 15 weeks' benefit at any time during the claim year and leave it up to the mother to decide when she wants to take that kind of leave?

We should also provide that benefits for sickness not related to pregnancy, as well as maternity benefits, may be paid in the same claim year instead of persisting with the kind of discrimination that now exists. However, there is no provision in the bill to permit an adoptive working mother to take any maternity leave. Surely a mother who is adopting a child needs some time off work to acclimatize the child during the early days of the adoption period. We should have at least two weeks' maternity benefits for fathers so that they may be with the newly-born child and the mother to assist her around the house after the child is born. I also believe that the waiting period for maternity

and paternity benefits should be waived. If we had that kind of amendment in this bill in regard to unemployment insurance, we would be making some kind of progress.

If we are to be serious about ending discrimination, we should also make changes in labour laws wherever required to provide collective bargaining rights and fringe benefits for domestic and part-time workers. We also require exploration of the concept of greater individual choice in the work week and work year. We need to amend our pension laws to give all women, including those who work at home, the same right to join pension plans and to draw benefits as enjoyed by men.

We must establish a comprehensive sex education program in the schools to end some of the stereotyping that goes on in regard to the respective roles of men and women in our society. Further, we need guaranties that male and female students are equally entitled to enrol in any course of their choosing, so that girls can become doctors, bank managers, or whatever they desire, and not be discouraged by guidance counsellors so they end up as being only tellers or nurses. We also need to eliminate sex stereotyping in all school text books. This is an insidious way of perpetuating the roles that men and women must conform to.

In addition, we need action to ban advertising which exploits sex and demeans the role and place of women in society. I believe we need amendments to take abortion out of the Criminal Code so that women are free, in accordance with their own conscience, to act on qualified medical advice. We need to have established in this country more sex education and birth control centres adequately equipped to advise on family planning, on birth control methods, abortion, and pre- and post-natal care. Lastly, we require community programs to encourage and assist women to take their full part in the political and cultural life of our country. Those are positive proposals, Madam Speaker. They are not new; they have been recommended by the royal commission and advocated by women's groups in this country. But this government has just dragged its feet in regard to implementing some of these very worthwhile and positive recommendations.

This omnibus bill, Bill C-16, provides a few improvements for the status of women in this country, but not many. There is still much to be done, but this government seems to be in no hurry to do it. I hope we will not think of this bill simply as a bill concerning women; I think we should regard it as more than that; because women's issues are men's issues too. We are part of a total society and we must understand that the measure of our society is how we treat all components of that society. The quality of our total society is surely measured by the quality of the least advantaged in our society. The measure of Canadian society today shows that there is no even-handed justice when it comes to the poor, the native people and to women.

We in Canada have deprived one-half of the Canadian population—the female population of this country—of their just place in our society. We have in turn been deprived of the potential of one of our greatest resources, the 11 million women who suffer discrimination because of government inaction.

In conclusion, I should like to quote from the Women's Bureau, 1974 report. I think they put this issue of the status of women in our country very eloquently. At page 31 of the report they say:

> When law affects women in a way that is different from the way it affects men, to the detriment of one or the other, then the quality of Canadian law is reduced. When the courts interpret the law in such a way as to reveal the influence of outmoded social traditions, traditions such as those which support a double standard of morality, one standard applying to men and another standard applying to women, then the quality of Canadian justice is diminished. When social custom and tradition remain fixed and unreformed in the face of growing awareness of the injustice of a double standard based on sex, then the quality of the Canadian way of life, for men as well as for women, is demeaned.

● (1650)

This situation of discrimination against women in Canada has existed in the past and it exists today. It is time it was stopped. This bill falls far short of tackling the major problems facing women, which I have described. I hope this minister and the Liberal government will finally wake up to the severity of the problem of discrimination in this country and make some fundamental reforms to the law instead of the token gestures which we have seen to date.

Mr. Cullen: Madam Speaker, I rise on a point of order. I think it should be pointed out that the engagement of the hon. member for Sault St. Marie (Mr. Symes) was recently announced in the newspapers, and I am sure his intended bride will be reading this speech over and over again.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Madam Speaker, this afternoon we have undertaken the study of Bill C-16, a long-awaited bill, and I am almost tempted to say that the bill is late in arriving, since most women to whom the bill applies have shown so far their capacity and competence in numerous fields.

Madam Speaker, we have witnessed today a peaceful demonstration that has proven to us that when women put their mind to it, they can achieve great things. Within a few weeks or months at the most, they were successful in obtaining over 1,200,000 signatures with a view to having the government understand that abortion laws should not be liberalized any further. And I was especially glad this afternoon to witness a female member of Parliament accept, on behalf of her colleagues, to submit the petition to the Chair. Indeed I wish to congratulate the hon. member for South York (Mrs. Appolloni) for the way in which she carried out this task, which was greatly appreciated.

Madam Speaker, we are also in a position to note the way you carry out your duties. We cannot help but notice your patience, and especially your tactfulness, when you have to call hon. members to order. There is also a woman presiding over the Senate debates, and there again, we can see the competence with which she carries out her duties.

Besides, another lady had preceded her and I believe we find in parliaments everywhere women who assert themselves.

In Germany, there are 30 women who are members of Parliament in the Bundestag and one of them is the president of that Parliament. In England, a lady is at the

head of the Conservative party and she is currently setting an example, to the prominent men of that party and of that country while at the same time giving goose pimples to members of the Labour party, if I may say so.

That goes to show that women did not wait for a law such as this one to take their place in public service more and more in business, in the professional as well as in the trading world, we see women asserting themselves and proving that they are as efficient as men, if not more so.

I believe this bill will nevertheless be welcome by the people. I hope it will be supported by all members so as to be passed following a study of all its objects for, as the minister said, it is an omnibus bill whose objective is to bring about improvement in many areas that have shown deficiencies up to now and particularly in certain fields, for instance as regards federal employees.

We are fortunate in Canada in that discrimination problems over race, colour or religion are scarce but still we should avoid sex discrimination.

We have been saying for some time now: Equal work, equal pay, not in the public service but in the case of federal employees other than public servants. For instance since 1971, a provision of the Canada Labour Code that came into force on July 1, 1971 provides that there must be no difference in the rate of pay of male and female employees working in the same industrial firm or under the same conditions, performing identical or substantially identical work, whose qualifications and endeavours are the same and whose responsibilities are identical or substantially identical.

As regards maternity leave for federal employees outside the public service, the Canada Labour Code provides a leave of up to 17 weeks, namely 6 weeks immediately following confinement and a period not exceeding 11 weeks immediately before confinement as well as any supplementary period resulting from a gap between the childbirth's actual date and the anticipated one. Afterwards, the employer must reinstate the employee in the position occupied by her at the time such leave commenced or in a comparable position with not less than the same wage and benefits. No employee shall be dismissed or laid off solely because she is pregnant. Mr. Speaker, one may recall that not so long ago, whenever a woman became pregnant, she was practically forced to leave her employment and sometimes, after confinement, she could not be reinstated in her position.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Order. I regret to have to interrupt the hon. member, but it being five o'clock and pursuant to Standing Order 40, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—Indian affairs—Withdrawal of vocational rehabilitation services from natives in Manitoba—Request for review and report; the hon. member for Sault Ste. Marie (Mr. Symes)—Finance—Suggested review of reduction of tariff on tires; the hon. member for Winnipeg South Centre (Mr. McKenzie)—External Affairs—Garrison diversion—Suggestion United States be asked for a moratorium on Project.

[*English*]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills. There being no item under the heading of private bills, the House will proceed to notices of motions.

● (1700)

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND PROVINCES ON SUBJECT OF ABORTION

Mr. Stuart Leggatt (New Westminster) moved:

That an humble address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence between the Minister of Justice and the Attorneys General and Ministers of Health of the provinces dealing with the subject of abortion and/or section 251 of the Criminal Code of Canada.

He said: Madam Speaker, this motion was placed on the order paper some time ago; to be exact, on October 9, 1974. A long time after that, the Minister of Justice (Mr. Lang), on March 16, 1975, rose in the House and objected to filing the requested correspondence, in this case hiding behind the cloak of confidentiality as his reason for not submitting the correspondence. The reason the motion was placed on the order paper was a suspicion held by a great many people concerning the allegations surrounding the Minister of Justice and the administration of his particular office which was being called into question because of the interpretation he was giving to section 251(4)(c) of the Criminal Code, which may have been in conflict with the intentions of parliament at the time the code was passed and may have been in conflict with the practices and standards being applied by therapeutic abortion committees across the country.

I submit that the onus in this kind of situation is on the government. The onus is on the government, when it hides behind the cloak of confidentiality, to satisfy this House that it is not under an obligation to introduce and table the correspondence, because the public has a right to know how any particular office is being administered, particularly the sensitive office of the Minister of Justice. The suspicions that were held at the time the motion was placed on the order paper, I submit, were subsequently confirmed by correspondence that came to light not too long ago.

Section 251(4)(c) of the Criminal Code provides an exception for a therapeutic abortion where the therapeutic abortion committee has by certificate in writing stated

that in its opinion continuation of the pregnancy of such female person would or would be likely to endanger her life or health. It has been traditional in this country that the definition of "health" is the World Health definition. I shall read that definition:

> Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

With that kind of background, one must examine what the minister said in the memoranda now released to the public. I wish to see more of the correspondence so that the minister will have an opportunity to defend himself against the very serious charges made that his own personal views on the subject of abortion have been reflected in the administration of his office. It is also interesting that at the time the law on abortion in this country was passed, the minister of justice at that time was the present Minister of Finance (Mr. Turner). I should like to quote the minister of justice at that time, the present Minister of Finance, who had an intimate connection with this bill and piloted it through the committee and the House. This is what he said on June 2, 1970:

> This act is deliberately left open to medical judgment in order to give doctors some latitude.

That was his interpretation as the minister responsible for the bill that was subsequently passed in this House and which is now being administered across the country. When we look at the statement made by the Minister of Justice in respect of the interpretation of that section, we find it is in clear conflict with what was intended when the bill was passed and is clearly in conflict with the statements the minister of justice made at the time he attempted to bring before the public some humane considerations on the subject of abortion.

Now I should like to quote from a memorandum which was circulated in October, 1974, to various officials by the present Minister of Justice. He said that social and economic considerations were not to be taken into account in determining whether a pregnancy lawfully could be terminated. That statement is in clear conflict with the law as it was understood, it is in clear conflict with the statements of the minister of justice at the time the bill was passed, and it is in clear conflict, I suspect, with the advice given him by the law officers of the Crown.

Therefore, I make the charge, knowing it is serious, that there can be an abuse of the role of this minister who indeed has a sensitive responsibility, in the administration of his office, to administer that office objectively—regardless of his personal views—and in accordance with the law, and to administer it fairly and justly in accordance with the views of his law officers. There is a substantial body of evidence to the effect that this has not been the case.

Unless this correspondence is tabled, how can members of parliament and the public determine whether the minister acted properly in carrying out the duties and responsibilities of his office? The cloak of confidentiality is no excuse, because the onus is on the government to tell us why this correspondence cannot be tabled and why the government is sensitive about this matter. I suggest it is sensitive merely because of embarrassment to the minister that would be created in having further correspondence released which might pertain to the conduct of that high and important office.

I submit that there is no right of confidentiality when a matter such as this becomes such an intense and important problem. There are circumstances in which the public interest is so great that when a government hides behind the cloak of confidentiality it is not doing a service to itself or to the Minister of Justice, and in fact leads one to the suspicion that justice is not being done or certainly is not appearing to be done. I believe it is incumbent upon the Minister of Justice to tell this House what he told the attorneys general of the provinces about the manner in which they should administer this most important section of the Criminal Code.

This matter is of great public interest, as was evidenced today by the many people who were here from the Right to Life group. That important group feels sincerely and strongly that this is a matter which should be imposed upon the country through the Criminal Code. The Morgentaler case is one reason this subject is so important in this House. I cannot argue for the release of this correspondence without again dealing with the real facts in respect of the Morgentaler case. He is in jail for one reason—his honesty and integrity in refusing to continue to participate in the sham that has been going on in the province of Quebec over all these years. The fact is, it has been admitted that 5,000 abortions were performed. Most of those were referred to Dr. Morgentaler by medical practitioners.

How many charges have been made against the medical club? How many doctors have faced charges? How many members of boards of directors of Montreal hospitals are facing charges today? The fact is that Dr. Morgentaler is carrying the load for the whole hypocritical system that has developed. The reason it got into that kind of state is simply that therapeutic abortion committees were not established in the province of Quebec. The state of New York now does 6,000 Canadian abortions a year. The only people who have more abortions in the state of New York are New York state residents. We have a law for the rich and a law for the poor. Those who can afford to go to the city of New York can get their abortions, but what happens when you come from Chicoutimi, from somewhere up in the sticks, or from the Northwest Territories?

● (1710)

An hon. Member: What's wrong with Chicoutimi?

Mr. Leggatt: I have nothing against Chicoutimi, I can assure you.

Mr. Knowles (Winnipeg North Centre): He comes from the sticks of Vancouver.

Mr. Leggatt: But there is no doubt in my mind that Dr. Morgentaler would not be in jail if he had not done something that can be called courageous. I agree he broke the law. That has been confirmed. Also, I abide by the decisions of our courts. But there is an element of courage in what he did. Today, 116 doctors in the province of Quebec admit that they, too, commit illegal abortions and that they conspire in these acts. I suspect that the number

is closer to 800, not 116. The whole hypocritical sham that has developed around this subject needs correction.

One of the reasons we come to the House to debate the subject, no matter which side of the argument we support, is to get to the question of finally resolving the issue. One of the ways is to establish more therapeutic abortion committees, but another way—and it seems to me the only one that ultimately will be satisfactory—is to remove the subject from the Criminal Code and allow a person to follow the dictates of his or her conscience on this subject. This is not a matter of abortion on demand—that is a ridiculous claim—it is a matter of the conscience of the individual in possession of professional advice. I see no reason why that should not be consistent with anybody's view on the right to life. It is certainly consistent with decency and humanity.

I should like to quote a colleague of mine who is no longer in the House but who is a well respected former member, Mrs. Grace MacInnis, who spoke in the minority parliament on July 6, 1973, on this subject. This is what she said:

But like our own Dr. Morgentaler they have found themselves unable to wash their hands of the matter and piously leave women to suffer the tortures and dangers of a pregnancy which they did not want, for which they were only partly responsible, and which, in far too many cases, they did not know how to prevent.

This is the reality and the hyprocrisy of the whole matter of keeping abortion in the Criminal Code. This is where the injustice lies. I have tried to keep my remarks in low key, without touching on those horrors so often depicted graphically and in words when this matter is discussed.

I have tried to do that also. I do not think this very legitimate debate is enhanced with pictures of deceased women in morgues, or pictures of fetuses. I think that does nothing to rationalism in the debate. I respect views on the right to live and I recognize the concern that many people have that if life is taken, even in its growing form within the womb, if it is taken lightly we may have less respect for it. But there are no absolutes in this and women have a right not to be discriminated against in this one area where in vast parts of our country abortion is not available. Canada has one of the lowest abortion rates in the world. Those are things we should not forget.

Madam Speaker, I see my time is running out. However, I want to give credit to the Minister of Justice for one thing, that is that his position has apparently changed. In his latest memorandum of February 26, 1975, he departed very significantly from the position he had taken previously in advising hospitals, particularly those under his jurisdiction, that social and economic conditions were not to be considered in the decision whether to perform an abortion. In his last memorandum he stated:

For our part, it is clear that the justification for killing a fetus which parliament wrote into the law is one of health and life and that it is best to leave that judgement to experts. If medical committees will accept the responsibility and endeavour seriously to determine if the grounds set out by parliament are present, then the law will operate as intended.

I can live with that as a statement of the minister's responsibility. But it is a far, far cry from his conduct at the time when debate developed in the House between the minister and members of the opposition, when previous statements by the Prime Minister (Mr. Trudeau) and the Minister of Finance were put to him. So I am pleased to see that there is a change. Nevertheless, it is a very deep responsibility that the Minister of Justice bears in the conduct of his office. During the period when he wrote the memorandum, when he attempted to stop grants to women's groups because of his suspicion that they may have been referring some of the women they were counselling to places where they could obtain abortions, there was an abuse of the minister's office, I submit.

We cannot use confidentiality to hide behind as a cloak with respect to what is fundamentally the government's responsibility, that is, to let the public know what has been happening on the abortion issue across the country and see how the Minister of Justice has been administering his portfolio. I urge, Madam Speaker, that the minister be required to table this correspondence so we can determine whether some of the things that I have read today are confirmation of the minister imposing his own interpretation of the Criminal Code on the attorneys general of this country.

Mrs. Ursula Appolloni (York South): Madam Speaker, I find it incongruous and infinitely sad that we should have listened to a speech in defence of somebody who is a self-admitted criminal. Dr. Morgentaler admitted that he had aborted women. The salient question he asked was whether they had enough money to pay him. These are the facts that came out in the transcript of the trial. Yet the Minister of Justice (Mr. Lang) is accused of hiding behind government confidentiality. We heard words such as "suspicion".

Questions such as whether the minister is carrying out his responsibility as Minister of Justice are being asked. Our Minister of Justice is being almost impeached in the House of Commons for carrying out his duty and defending the people of Canada. It is sad to see attempts at impeaching him when a known criminal is offered an award as a humanitarian. It may be a sign of what this society of ours is coming to. I should like to quote from an editorial which appeared in the Toronto *Star* of Wednesday, May 28, under the title "Signals of social breakdown". It reads:

In Canada there's a growing fear of social and political breakdown . . .

The danger is that an individual may think he can disregard the rules he doesn't like, and get away with it. But when everyone—groups, organizations and unions—

And, I may add, abortionists.

—does the same, it's destructive to society as a whole.

I understand the role of the Minister of Justice. His role is to make sure that justice is administered to all Canadians, to all humans. I submit that humanity starts at the moment of conception. Therefore, I am convinced that the Minister of Justice would be remiss in his job if he did not protect the weakest. And what is weaker than an unborn child?

● (1720)

We have been told that Dr. Morgentaler had great courage. We have been told that our Minister of Justice has been hiding. I think the hon. member wanted to give the minister a chance to defend himself. Quite frankly, I know of no other minister in the present cabinet who has so ably and so often defended himself both in this House and

outside it. I think it is absolutely unjust to put him on the rostrum yet again and to accuse him as if he were the criminal, instead of the protector for all of us from such criminal actions as abortion.

Some hon. Members: Hear, hear!

Mrs. Appolloni: We are told that the Minister of Justice—I am quoting the hon. member—has a deep and sensitive responsibility to be humane. What is more humane than admitting that after 17 days blood cells are formed in a fetus; after 20 days the heart and primitive intestine are formed; after 24 days the heart begins to beat in a fetus? The fetus is weak and is dependent upon its mother. Is it not humane to protect that heart and to let it grow to its full maturity until birth which comes along after the proper gestation period? That is what our Minister of Justice has been trying to do. Now he is accused of being secretive and of hiding behind confidentiality. I think the minister deserves a tremendous vote of thanks from all Canadians. He is a pillar of our society.

The hon. member ended by giving some credit to the minister. Frankly, I am afraid I missed it. I was too appalled by the accusations and innuendos. I will not repeat myself, Madam Speaker. I know there are other people who want to speak on this subject and who are as incensed as I am that a man who is protecting the weakest element of our society is now being impeached in this chamber. If I may, I would like to quote part of the oath of Hippocrates:

> The regimen I shall adopt shall be for the benefit of my patients according to my ability and judgment, and not for their hurt or for any wrong. I will give no deadly drug to any, though it be asked of me, nor will I counsel such, and especially I will not aid a woman to procure abortion.

The doctors who now brag of having broken our law took this oath. Do they now become heroes. Or is the real hero not the man who is being asked now to produce his papers?

Some hon. Members: Hear, hear!

Mr. J. R. Holmes (Lambton-Kent): Madam Speaker, I welcome the opportunity to make a few comments in this most important debate. I listened with great interest to the hon. member for New Westminster (Mr. Leggatt) and, as I anticipated, he referred to the definition of the World Health Organization. He made reference to previous comments by the Minister of Finance (Mr. Turner) regarding health and his interpretation of it, and the hon. member discussed the law as interpreted now and in the past. He discussed the Morgentaler case and he reiterated the same arguments we have heard from him so many times in the past. He reiterated them on behalf of many other individuals who support the pro-abortionist movement.

I say to the hon. member that in my view he has not accurately assessed the changing mood of the people of Canada as they have become more knowledgeable about the realities of abortion and more vocal in their determination to stop abortion on demand. I think this has been demonstrated in two ways today in this House. The Committee of One Million in presenting their brief on abortion to the Prime Minister (Mr. Trudeau) last week and in presenting their petition today to the House of Commons, expressed their concern over the escalation of abortions which now exceed 43,000 per year in Canada, or 12.6 per cent of live births. They also expressed their concern regarding the deleterious effects of abortion on the health of women and their subsequent offspring, and about the social effects of widespread abortion in decreasing respect for every individual human life.

The formation of an all-party group in defence of the unborn child emphasizes the importance with which members of parliament view this problem and their earnest desire to promote fresh, meaningful debate. I believe the new order has begun. A new Canadian conscience is growing and demanding accurate information and informative debate, not only in this chamber but in every community and home in Canada. There is no place for misleading statements and misinformation which have contributed to the present situation of abortion on demand. The goal is to seek accurate information about the life and the world of the unborn child, to seek new approaches, to protect the life of the unborn child and to ensure that a mother's rights to health, happiness and freedom from other burdens are also protected.

I believe it is the responsibility of members of parliament to give the Canadian people the opportunity to determine the laws which will govern this country and it is in this spirit that I wish to make a few personal observations. The issue of abortion is not a private matter. It is not a sectarian religious problem or one of private morality. The issue is not to determine when life begins, for that is a scientific fact which is well known. The question which must be answered is what value we shall place on human life in general and whether the unborn human life in particular is entitled to legal protection.

The implications of this observation extend beyond the special concern of abortion, and in the final analysis they may be more important than the abortion issue before us. If we can justify the killing of an unborn child because it does not, by definition, fall within the arbitrary boundaries of humanity, then the question must logically be asked, will we decide that an individual, because of mental illness, senility, severe brain damage following an accident or for other reasons ceases to have the capability to lead a meaningful life, loses the protection of the law? The list of questions which can and should be asked in this regard is endless.

In the broader context of the abortion issue I would like to make reference to an editorial entitled, "A new ethic for medicine and society." This was published in the official journal of the California Medical Association at the height of a debate regarding the liberalization of the abortion law in California. The editorial discusses the controversy which exists not only in the United States but here as well in which the intrinsic worth and equality of every human life is secured by law regardless of age or health. It also discusses a new ethic according to which human life can be taken for what are viewed to be compelling social, economic or psychological needs of others. I would like to quote an important section of this article and it is as follows:

> The process of eroding the old ethic and substituting the new has already begun. It may be seen most clearly in changing attitudes toward human abortion. In defiance of the long-held western ethic of intrinsic and equal value for human life regardless of its stage, condi-

tion, or status, abortion is becoming accepted by society as moral, right, and even necessary. It is worth noting that this shift in public attitude has affected the churches, the laws, and public policy rather than the reverse.

Since the old ethic has not yet been fully displaced, it has been necessary to separate the idea of abortion from the idea of killing, which continues to be socially abhorrent. The result has been a curious avoidance of the scientific fact, which everyone really knows, that human life begins at conception and is continuous whether intra or extra-uterine until death. The very considerable semantic gymnastics which are required to rationalize abortion as anything but taking a human life would be ludicrous if they were not often put forth under socially impeccable auspices. It is suggested that this schizophrenic sort of subterfuge is necessary because while a new ethic is being accepted the old one has not yet been rejected.

● (1730)

In defining a growing role of physicians in deciding who will and will not live, the editorial went on to state:

One may anticipate further development of these roles as the problems of birth control and birth selection are extended inevitably to death selection and death control whether by the individual or by society.

Those of us who believe in the old ethic, and I am convinced that represents by far the majority of Canadians, are looking to the political process to reflect these views.

It is extremely important in debating this issue that we work and seek a point of view which can be accepted by all rational men and women. In this regard I must say to my colleagues and those individuals who utilize the term "sanctity of life" that I find the term is restrictive. In many cases it may only be accepted by those with religious views. It does have the advantage, or disadvantage depending on the point of view, of settling the abortion debate. In similar fashion for those who have the points of view that support abortion on demand, the debate is settled very quickly. So I say to you, Madam Speaker, that it is impossible to have a meaningful dialogue with that term.

Another term which is frequently used and which has some credibility is "quality of life". I know that term is used very frequently by those to my left. I believe it is at times an overworked phrase and can take on a very serious dimension which is unacceptable to the majority of people. When quality of life is interpreted as abortion, when quality of life allows a deformed infant to die, or when quality of life determines whether government medical priorities infuse funds to the elderly rather than to the young—and I give that as an example—then surely it is obvious that a consensus among men and women will not be reached.

The question must then be asked: is there a common point of view acceptable to all? I believe the answer to that question is an unqualified yes. In Canada we have the Bill of Rights and in the United States the Constitution, which indicate that to be human is to possess certain rights, and among these is the right to life.

The phrase, the right to life, suggests something objective, something which can be defined and acted upon. For example, the fetus has a right to life; a comatose patient has a right to life; a patient with a brain stem injury who is in a coma has a right to life.

This implies that a life should not be taken without adequate justification, and every living thing has a presumptuous right to live. In these circumstances the burden of proof rests on the individual who would take life and not on the individual who would preserve it. I recognize this leaves the crucial issue undetermined, namely, when is taking life justified? That, of course, is where disagreements occur.

I would state in the strongest terms possible that if we are looking for a point of view with universal acceptance, the right to life would fit the criterion, in my view. Such a point of view would protect our own self-interests and concern for our family, friends, and community. It is obvious there is an advantage to each of us to honour such a direction. And what is more important, Madam Speaker, it places the burden of proof on those who disobey the rule and opens the debate, as it should be opened, to decide what constitutes justifiable exceptions.

I hope my brief comments will serve a useful purpose in forming the framework upon which scientific data and the broad range of new knowledge and information can be added. I am convinced that if this House is permitted to debate this particular issue at a later date with honesty, with seriousness on the part of all members, and in a very rational form, and with new sources of information and knowledge, then the Committee of a Million that has been in Ottawa today will have been successful in its efforts.

Mr. Douglas Roche (Edmonton-Strathcona): It is a rare event when we hear in this House a speech of such high principle and practical wisdom as we have just heard from an hon. member who is, I would remind you, Madam Speaker, a medical doctor.

I should like to say a word in response to the speech made by the hon. member for New Westminster (Mr. Leggatt) who summed up his remarks by saying, "Let's find out what is happening in the abortion issue". I can tell the hon. member what is happening.

I want to make some remarks concerning the suggestion of the hon. member in a spirit that I hope he will accept—a spirit that is not contentious, not filled with wild emotion. I would ask him to look at this very serious question in a way that I know he is capable of looking at it. In the time that we have served together in this House I have to come to admire the hon. member for the perspicacity of his approach, for his fighting spirit, for his legal expertise. Because he possesses these qualities I would ask him to move to an even higher level in this question and consider the civil rights of the unborn child.

The hon. member put forward a case that has a fundamental flaw. When he was summing up that portion of his remarks regarding Dr. Morgentaler he was calling for more therapeutic abortion committees to permit the kind of abortions that he would like to see permitted in the country. He moved from that to what is his real purpose, the real approach that he brings to this House, and that is not so much that he wants more therapeutic abortions as that he wants abortion taken out of the Criminal Code and made a private matter between a woman and her doctor—a matter in which, as he says, women will not be discriminated against.

Abortion

● (1740)

I want to go on to the legal position. I encourage the hon. member to review this. I say to him, as the hon. member for Lambton-Kent (Mr. Holmes) has said, that abortion is not a private matter. The destruction of human life, even incipient or developing human life in the womb, can never be considered a private matter under our law.

I am not going to take the time to go down the side avenue of the legal case of a pregnant woman being hurt in an automobile accident and the double suit that results because there is a double life. I only want to say to the hon. member that just as the civil right to vote and the civil right against discrimination that all of us have must be protected by law, so too must the most fundamental and basic of civil rights, the right to life, be protected by law. It is that protection by law of the right of the unborn children of our country that I am addressing myself to, and practically no other element of this very complex issue.

If it was the intention of parliament to have the kind of abortion law envisaged by the hon. member for New Westminster, I think parliament would have made that clear in the 1969 amendments. I, too, have read those debates. I have come to the conclusion that it was not the intention of parliament to put through a law, the result of which would be the quadrupling of abortions over the next four years. In the year 1973, the most recent year for which statistics are available, there were 43,201 abortions, or 12.6 per cent of live births in this country.

I submit that the facts on that occasion illustrate the deep concern that members of parliament had to protect human life in the womb and at the same time to provide that avenue, as my colleague from Lambton-Kent said, for what constitutes justifiable exceptions. Therefore I appeal to the hon. member to consider that the intent of parliament, however badly that law was finally framed, was to protect human life and to allow for exceptions in cases that would be medically indisputable.

The hon. member comes from a province adjoining mine, the province of British Columbia. I ask him to consider British Columbia, Alberta, and Ontario, the three wealthiest provinces in this country, which now have the highest rates of abortion by far. Are we to suspect that it is more dangerous to a woman's health to be pregnant in British Columbia, Alberta or Ontario than in any other province? Surely that fact alone illustrates that in those provinces abortions are being performed for social reasons, which was not the intent of parliament.

As legislators we must give very serious consideration to our responsibilities. A short while ago the hon. member and I were on the external affairs committee together. We achieved a result because there was collaboration. We achieved something that will benefit Canada in the long run. We did that by working together, even though we do not share the same basic views. I ask him whether we can work together, as reasonable people who have a common bond in this House, for good law. I cannot believe that the hon. member will accept any law as good if it violates the civil rights of unborn children in such escalation as we have seen over the past four years.

[Mr. Roche.]

The hon. member for York South (Mrs. Appolloni) brought in a petition today with over one million names. I remember a cold, wintry day in November, 1973, when the Alliance for Life and associated groups came to parliament Hill with a petition of 350,000 names. They presented it to members of parliament in a demonstration of concern for the pro-life movement. We encouraged them to go back to their homes around the country and triple their efforts to bring back to parliament a petition containing the names of one million Canadians who wanted nothing more or less than justice on the abortion laws.

Today we have seen the result of the determination of that group of people who have touched the nerves of so many Canadians from coast to coast. The petition they brought in today asks members of parliament to consider this question seriously. Members of parliament from all four parties in this House have banded together in a spirit of co-operation to try to achieve a good law. I appeal to the minister and the hon. member for New Westminster to join with us.

We have produced a statement which all hon. members in this House are invited to join through signature or association. Many members of parliament have already become associated with this inter-parliamentary group. I predict that it is going to grow. As it grows and as we move into a major debate in this House, I ask the hon. member to consider seriously whether he can work with us to achieve what is our common goal of law.

The hon. member for York South put on record the words of the petition so that those thousands of Canadians who will be seeing *Hansard* over the course of the next few weeks will be familiar with what is actually stated in the petition. I want to put on record a few paragraphs of our statement of concern with which members of parliament are becoming associated. I quote the precise statement:

As members of parliament, representing all parties, we wish to indicate publicly our concern at the growing number of abortions in Canada.

● (1750)

Section 251 of the Criminal Code permits a therapeutic abortion committee to allow an abortion when continuation of a mother's pregnancy "would be likely to endanger her life or health". Since that law went into effect, abortions quadrupled to 43,201 in the four years 1970-73 and are now 12.6 per cent of live births in Canada.

This indicates to us that the word "health" is being defined very broadly and that in fact abortions are being permitted for a variety of social reasons. We believe parliament did not intend this to happen and we ask that legislative action now be taken to stop this needless escalation while at the same time allowing abortions in genuine cases of danger to life or health.

We affirm that abortion is not a private matter. The destruction of human life, even incipient or developing human life in the womb, can never be considered a private matter under our law. Nor is abortion a merely sectarian religious problem or one for the area of private morality. As legislators, we view abortion as a question of civil rights: the civil right to life of the unborn child. The civil rights of the mother cannot be expressed by summarily taking away the life of the unborn child.

In saying this we also emphasize our support of measures to assist pregnant women who are troubled. A positive response to social problems will help to remove the desire for abortion.

All this is a profound and delicate problem.

As legislators, we recognize that the problem must be dealt with primarily in parliament. It is not a matter of better application of the present law; it is the wording of the present law which permits such

loose application and which consequently must be changed. This issue, cutting to the very core of life itself, transcends partisanship, and it is in a spirit of collective responsibility that we are seeking a better law. To this end we have formed a Parliamentary Group in Defence of the Unborn.

We welcome the petition of one million signatures sponsored by the Committee of One Million which requests legislation "providing for the child conceived but not yet born the same protection provided for any other person."

We ask the Canadian government to give earnest consideration to a legislative change in Section 251 to restrict abortions to cases where the medical need is indisputable.

I close on this note. I believe this to be a moderate and responsible approach taken across the aisle of this House, and I ask the government to give serious consideration to what we have set forth in this document, one which expresses the will of one million Canadians and many more besides.

[*Translation*]

Mr. Gilles Marceau (Parliamentary Secretary to Minister of Justice): Madam Speaker, the important matter we are debating today concerns the confidential nature of the discussions and communications between the federal and the provincial governments. The hon. member for New Westminster (Mr. Leggatt) has asked that copy of the correspondence on abortion and section 251 of the Criminal Code exchanged between the Minister of Justice (Mr. Lang), the provincial attorneys general and provincial health ministers be tabled in the House.

In the last few years, the disclosure of information by ministers of the Crown has been the subject of many a discussion. Indeed, on March 15, 1973, the President of the Privy Council proposed a series of guidelines on that vast subject. The correspondence concerned in the motion before the House obviously falls under section 4, which guarantees the confidentiality of government documents whose disclosure could be prejudicial to federal-provincial relations.

On presenting that text, the President of the Privy Council stated, and I quote:

Our objective is to make as much information available as possible. We believe that Members of Parliament require factual information about the operations of the government in order that they may carry out their parliamentary duties. That statement is included in the general principle. We are also aware that the desire to make available as much information as possible must be balanced against effective public administration, protection of the security of the state and rights to privacy. It is always a delicate matter of judgment to balance the desire to make information available with the effective administration of the government, security of the state and other considerations.

All members, I am convinced, recognize unreservedly the often delicate and extremely complex character of federal-provincial relations. It is obvious that in some cases, the first governmental objective—information—should give place to superior interests, of which free and honest communication between the federal and provincial governments is not the least. One cannot deny that when information is intended for the population or for public debate, its expression often takes on a meaning or colour that is different from that which is important to the promotion and preservation of elements of compromise and comprehension as well as to the openness of mind and equilibrium essential to federal-provincial relations. It seems to me, Madam Speaker, that this touches on the main principles governing the divulging of internal administrative instructions and documents.

In conclusion, Madam Speaker, may I point out that the Minister of Justice, members of parliament and the public in general have all interest in any information on governmental activities being published, but obviously, in my statement, there must be "reasonable" limits to such a policy, and the word "reasonable" is the key word, so that the government may act with efficiency and security. As a result, the exclusion of intergovernmental correspondence, such as the kind mentioned in the motion, represents an exception that is motivated as well as essential. In the present case, Madam Speaker, official secret regulations have been well observed, of that I am convinced, so I would ask the hon. member to withdraw his motion. Madam Speaker, may I call it six o'clock?

The Acting Speaker (Mrs. Morin): Order. The hour appointed for private members' business has now expired. It being six o'clock, I leave the chair until eight o'clock tonight.

AFTER RECESS

The House resumed at 8 p.m.

PUBLIC SERVICE EMPLOYER-EMPLOYEE RELATIONS

THIRD COMMITTEE REPORT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order concerning a report tabled in the House today. I am referring to the third report of the Special Joint Committee on Public Service Employer-Employee Relations. I wish to point out a substantial discrepancy in the translation. On page 5 of the French text, paragraph (a) reads as follows:

(a) Les fonctions et pouvoirs du tribunal d'arbitrage, de l'arbitre en chef et des arbitres devraient être confiés à la Commission des relations de travail dans la Fonction publique et révoqués par les membres de la Commission, siégeant en comités ou à titre personnel;

I point out to the House that that was not what the committee had in mind when it drafted that provision. The English text is the one that reflects better the opinion of the committee, and I quote from page 5 (a):

[*English*]

(a) The functions and powers of the Arbitration Tribunal, the Chief Adjudicator and adjudicators should be assigned to the Public Service Staff Relations Board and discharged by members of the Board, sitting as panels or as individuals;

[*Translation*]

Mr. Deputy Speaker: Order, please. I recognize the point raised by the hon. member is very important, doubly so as the report will appear in today's Votes and Proceedings. The Chair therefore will see to it that the matter is looked into and corrections made so that the text be consistent with facts and the translation revised.

GOVERNMENT ORDERS

[*Translation*]

STATUTE LAW (STATUS OF WOMEN) AMENDMENT ACT, 1974

MEASURE TO ESTABLISH EQUALITY OF STATUS FOR MALE AND FEMALE PERSONS UNDER CERTAIN STATUTES

The House resumed consideration of the motion of Mr. Lalonde that Bill C-16, to amend certain statutes to provide equality of status thereunder for male and female persons, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

● (2010)

Mr. Gérard Laprise (Abitibi): Mr. Speaker, when the debate was adjourned at five o'clock I was mentioning that in the old days female employees could be laid off because they were pregnant or after giving birth. This practically never happens nowadays, neither among federal employees who are not civil servants nor even in the private sector. So the legislation has evolved. Representations were made to that effect by organizations which defended the role of women in business, and employers took heed.

Mr. Speaker, there is also in that omnibus bill an amendment which caught my attention and which I fully endorse. I am referring to the cadet corps sponsored by the National Defence Department. Up to now, that department only accepted young boys in that cadet corps, and in the amendment of the minister, the word "person" would be substituted for "boy", which would enable young girls to take an active part in such cadet corps. Now, there again, Mr. Speaker, even though it was not provided in the act, the Department of National Defence has been allowing young girls into cadet corps for at least two years. In fact, a few days ago, I attended in La Sarre, in my constituency, the tenth anniversary of the foundation of the cadet corps, and I noticed several young girls among the cadets. At the various information booths, we saw for ourselves that those young girls, especially in the field of communications, managed quite well among the boys of that cadet corps. They showed that they could provide us with the required information, that they could find co-ordinates on maps of the area and, therefore, eventually render services and even direct, if necessary, the operations of a military corps. Well, I agree with that provision of Bill C-16 which will actually allow young girls to enrol in those cadet corps. Since it was decided that 1975 would be Women's Year in Canada, the press especially and the broadcasting media have given that event a wide coverage. This publicity has not always turned out to women's advantage. Even if they wanted or thought they would liberate women in all their daily activities or whatever, it seems that they tried to ridicule the role of women at home, and it is quite unfortunate. They have tried to lead people to believe that women had no future at home, that they should be only outside, that they could be useful only out of their home, which I believe, Mr. Speaker, is completely wrong.

Recently in northwest Quebec, in Abitibi, there has been a meeting of more than 250 women from Abitibi, a meeting

about a project for the promotion of women; the women at the meeting have been able during that day to evaluate their situation and to think over many aspects of life today. They believe that publicity diminishes women by leading people to believe that the mother or the wife at home is of no use to society. They suggested that women at home bring out human values, they prepare the society of tomorrow, first by giving life, by educating children, by giving them the sense of moral and social responsibilities, as the family is the cell of society.

Mr. Speaker, how often have we seen or heard judges of the social welfare court mention that juvenile delinquency, for example, was generally due to the desertion of women from home. They have deplored this situation. But, to try through a huge and well-organized campaign to make people believe that a woman's place is not at home anymore, that is fostering juvenile delinquency. A woman's duty is first and foremost to her home. When she has to work outside for long hours, especially when there are young children, she cannot achieve maximum efficiency, either in one place or the other.

There is another important role: that played by a woman within the family. There is no better way to get involved in society. As far as religion is concerned, it is emphasized that the woman who believes in Christ gives another dimension to moral and human values; she gets involved in a more serene manner. That also is important, Mr. Speaker. There is too much of a tendency nowadays to forget human values. This definitely leads us to lose the sense authority. In the last fifteen years, especially in Quebec, there has been constant demands to relax authority, so that next to nothing is respected anymore. There is no more respect for authority. Parental authority is disregarded. So is government authority, at every level. The law is ignored, so we should not wonder at what is now happening. This is important. We must insist that the woman with small children may spend all her time bringing up her children, if she so desires. Ten years ago or so, one bank researched the homemaker's monetary value, what should be a fair return for the work she does in the home. The figure was quite impressive.

● (2020)

This is what was found ten years ago. The daily work load of the wife was assessed as follows: As a baby-sitter, $55.63 a week; as a dietitian, $3 a week; as a shopper, $4.95; as a cook, $32.75; as a dishwasher, $9.30; as a housekeeper, $26.25; as a washerwoman, $11.21; as a seamstress, $3.25; as a practical nurse, $1.20; as a caretaker, $3.83; as a gardener, $3.57; as a driver, $4.44 a week. That makes a total of $159.38, and that was ten years ago.

Mr. Speaker, if we had to pay wives at those rates, I believe that many more men would wash dishes, do the housework and the shopping, but such is not the case. The fact is that the housewife plays a very important role which frees the husband and enables him to spend more time at his work and earn what is required to support this cell of society that is the family.

Mr. Speaker, these values must not be ignored. This is why we are always trying to improve our social legislation, for instance. When we press the government, the Minister of National Health and Welfare (Mr. Lalonde),

for instance, we are often thought hard to deal with and demanding, but, Mr. Speaker, we do this precisely to give more freedom to women, to enable the wife with young children to do her work and raise her children without having to get outside work in order to supplement the income required for the welfare of her family.

Mr. Speaker, I believe that Bill C-16, which includes several amendments, will improve in certain cases the status of women. In other cases, it may deprive the wife of certain privileges she previously had, for instance, when her husband is brought before the court for a criminal offence. Yet, Mr. Speaker, I believe that this bill should be considered further in the appropriate committee, and I believe that for the moment, even though we could ask for more, either in this bill or in the related legislation, it remains an important step, and we are ready to support and endorse it.

Mr. Lalonde: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Minister of National Health and Welfare on a point of order.

Mr. Lalonde: Mr. Speaker, there have been consultations with the representatives of the other parties and I think that the various parties agreed that the next speakers should be restricted to 20 minutes up to the end of the debate on second reading.

[*English*]

Mr. Baker (Grenville-Carleton): We agree, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): D'accord.

Mr. Deputy Speaker: Hon. members have heard the motion. Is it agreed that the speeches be limited to 20 minutes?

Some hon. Members: Agreed.

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the feminist author Simone de Beauvoir said that there were two kinds of beings in this world, human beings and women, but that when women began behaving like human beings they were accused of trying to be like men. We've come a long way as the ads say, but we have a whole world of attitudes to change before we will progress much further.

It was in 1921 that Agnes MacPhail blazed a trail from the prairies to Parliament Hill. But even then, once we knew the way, we did not follow in large numbers. In 1972 there were five women in this chamber. As five more came to join them, Grace MacInnis, a respected veteran of long years on the political and feminist scene, retired, reducing our total to 9 out of 264. We still have a long way to go until we accomplish the minimum 51 per cent coup d'état.

Exactly this time last year I received a letter from the only declared feminist in my area. It arrived just after my nomination, and read in part:

> Prime Minister Trudeau in his Throne speech promised "equality for women". There are very few women's rights groups in the north but it is only a matter of time before the movement reaches us with any momentum.
>
> The only people who can be truly interested in seeing the recommendations of the Royal Commission on the Status of Women implemented are women themselves.
>
> If you become our elected representative I, as one of your constituents, would expect you to be familiar with the Royal Commission Report and also do work in support of its implementation. I will work toward a successful campaign on your behalf . . .

She went on to say I have her vote even though she is a socialist, and she hopes she can secure many more.

An hon. Member: Is that from Frank Howard?

Mrs. Campagnolo: No. It is from a woman.

I must tell my constituent, and her newly organized more than 200 sisters in the north, that the bill of rights, which will bring forward for debate the major unfulfilled recommendations of the report on the Status of Women, is almost completed. But I must admit, it seems there is an unjustifiable length of time before getting such measures into the House for consideration. What good is it to put forward a bill such as the one we address ourselves to tonight if it languishes, waiting for House time? Yes, it is good legislation.

The statute law (Status of Women) Amendment Act, 1974, would have been good legislation in 1954. Substituting the word "spouse" for "wife" is important. Amending the Unemployment Insurance Act to provide more flexibility in the period during which maternity benefits may be paid is important. Amending the Pension Act to create new entitlement for widowers of members of the armed forces is important. It is just that spouses of military women should receive benefits. It is just that members of the forces who are married to each other receive consideration. It is very important that girls be allowed to belong to cadet organizations, and that the National Defence Act be amended to accomplish that. But it is attitudes of mind that are the most important to change.

The persisting myths and fables about women must be banished forever. We women are reputed to be waspish, ungenerous, even evil; and of course, most of all, we are reputed to hate each other. We are manipulated to oppose each other like prize cats, a tactic that has worn thin with age and fatigue, for women of every station in life, of every philosophical persuasion, have come to realize that by being supportive of each other, by giving the other woman the edge, if you will, the unity that results can change our destinies.

I will not quote again the endless statistics that show quite clearly women face economic discrimination. I would like to remind hon. members that it costs as much for a woman to rent a room, buy food and clothes, get medical, dental and professional aid, as it does a man.

Are there 20 per cent price cuts in theatre tickets, for instance, to the hardworking ladies-wear clerk who makes 20 per cent less than the male clerk selling lingerie beside her?

Ah, but the potential employer says gravely: "No matter how competent you may be, you may prove to be unreliable because women have babies". I submit once and for all, so do men. Men have babies too. Parenthood is not a unilateral business.

Mr. Baker (Grenville-Carleton): Hear, hear!

Mrs. Campagnolo: You will find that 34 per cent of families are headed by women in this country today. Is raising children to become exclusively women's work? I have real faith that the new generation will reserve this trend and allow fathers who wish it to become an integral part of their children's lives.

One of the concerns of the Minister of National Health and Welfare (Mr. Lalonde), both as minister of that department and as minister responsible for the status of women, has been to study the possibility of including non-wage earning spouses, those who work in the home, under the Canada Pension Plan. It was for this reason that last year he requested the Advisory Council on the Status of Women and the Canada Pension Plan Advisory Committee to submit proposals to him, outlining ways in which spouses who work in the home could become contributors to the Canada Pension Plan. Early this year he received the recommendations of these two groups.

Both advisory bodies considered three alternatives unacceptable. They concluded that it would be impractical to include non-wage earning spouses in the plan through the payment of a salary to spouses working at home. In addition, they submitted recommendations against including spouses in the plan through a system of voluntary contributions or through the establishment of a separate plan.

They did both recommend, however, that spouses at home be included within the plan, and that Canada Pension Plan credits be evenly divided or split between marriage partners for the purpose of applying benefits and other provisions—either on a continuing basis, or only in case of marriage breakdown. The Canada Pension Plan Advisory Committee suggested that this might be carried out on a universal basis, or only in the case of marriage breakdown. The ACSW, on the other hand, proposed that the splitting of credits be implemented on a universal basis for the future and, in the case of marriage breakdown, splitting of past pension credits also.

● (2030)

Now let us look for a moment at that romantic stereotype with which we are all so familiar, marriage. You all know it well. Women and men are socialized to believe that their roles as mother and wife and father and husband will prove to be the ultimate source of fulfillment. In some cases blessed couples are able to accomplish that, but the realities of marriage are harsh.

Let us look at some marriage laws and interpret the meaning, clear eyed and without romance, as a recent women's publication did. Here we have what women think about marriage:

> The law says a husband must support his wife and children . . . but a working wife can keep all her earnings for herself. She does not have to support her husband or even her children. The law means women are not responsible for supporting other people, women are kept, they are not keepers. The law says the wife must live wherever the husband chooses. If she doesn't she can be classified as a deserting wife. She will lose her dower rights and right to support, and he can divorce her. The law means she must be physically available. The law says if the wife leaves the husband or is unfaithful to him, she loses her right to be supported by him and she loses her right to his property. The law means even if she has lived with him for 20 years and has been a full-time cook, housekeeper, nursery-maid, janitor, secretary and lover, all without pay, she loses her rights to everything as soon as she stops providing sexual services exclusively for him. The wife has a right to the husband's property only so long as she is part of his property. The law says the husband can sue for loss of consortium, the wife cannot. The law means the wife has pledged her body, the husband has not . . . The law says a man cannot be convicted of rape if the victim is his wife. The law means it is not a crime to violate what you own.

There was talk of urgency today by the Leader of the Opposition (Mr. Stanfield), and he is right. There is urgency. Women have defined beyond question their needs; they have been studied, they have been analysed, they have been researched. Now is the time to end the study and the talk, now is the time for action. Women have sought out their history and their heroines, and there are many, many heroines in this country, ordinary Canadian women who have striven, worked, protected, comforted and nurtured their families but who have sought a richer, kinder, gentler life for all mankind at the same time. Kindness is our weapon and our strength. A society as torn with extremes as ours requires healthy doses of love, warmth, and kindness if it is to survive. But we want these to be considered and actually to be male as well as female attributes. We want these characteristics to be assumed unashamedly.

Some hon. Members: Hear, hear!

Mrs. Campagnolo: In other words, we want both sexes to be full-flowering, well-rounded, loving human beings.

"Vive la vie", I see it around me today everywhere. Life is sacred and precious, and I agree most fervently. But "vive la vie" must be considered at both extremes in our society and in our time, and I submit that in extreme circumstances there will be abortions and there will be capital punishment under the laws as they presently stand. The two are irretrievably locked in logic. Neither abortion nor capital punishment would take place in an enlightened society. Abortion should be unnecessary, execution by the state unwarranted. But sadly, in my opinion, we are not at that stage of development at this time.

Before I was elected I told my future constituents how I felt about the issue of abortion. I said I believed abortion should be removed from the Criminal Code and placed under the provisions of the National Health Act.

I believe there are considerably more abortions taking place in our hospitals than are necessary, and I submit these abortions are dehumanizing to women and weaken their general integrity. I do not think that hospital committees are functioning in the manner in which they were intended to function in some cases, and I do not think the present system is equally administered across the country.

I believe that checks and balances are required, and I respect the stand of the Alliance for Life, but unfortunately I cannot agree with them, because until our country places more emphasis on sexual responsibility and contraception, there will continue to be too many abortions. There have always been abortions, there are abortions now, and I submit that until we have a perfect society there will continue to be abortions.

If we submit to the anti-abortionists, there will resume in our back streets the devastating disgrace of illegal abortions, a return to the maiming and deaths of women in the past. On the other hand, if we move to the completely pro-abortion stand, we will do irreparable harm to the

social fabric of this nation. The Hippocratic oath, I submit, would have been written differently in the matter of abortion had it been men who conceived in ancient Athens!

It has been an emotional day in the House and many of us have met with the earnest representatives of the Alliance for Life, but I appeal to members of the House, and to people outside this House who look to us for leadership, for a rational approach to a profoundly complex problem. The present law of the land is a good law when administered with equity.

I think I would like to answer one question that was raised by the hon. member for Edmonton-Strathcona (Mr. Roche). He wondered why the richest provinces had the highest abortion rate. I can offer an answer to the hon. member. The answer is that the wealthy of this country and the wealthy of the world have always had access to abortion, and the poor, the ill-educated, and those who are unfortunate not to share our level of life, have not. Their sisters are beginning to have the same type of equity as has been known in the circles of the rich since time began.

There must always be room for rational thought. Slides of aborted fetuses to sensationalize a particular philosophy serve no other purpose than to bring to mind the revolting human degradation of women who were driven by such desperation as most men cannot imagine to attempt to abort themselves, or to submit their bodies to an inept, illegal, back-street abortionist. Is the bloody and dismembered fetus any more or less repugnant to anyone here to view than, for instance, a thirteen year old girl, crouched naked in death in her own blood, after attempting to abort herself with a sharpened kitchen implement? I leave those two thoughts in the minds of hon. members tonight as they consider the status of women in this nation.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to say at the outset that although perhaps some of us in the House would not agree completely with all of the sentiments that have been expressed by the hon. member for Skeena (Mrs. Campagnolo)—and I emphasize "the hon. member"—there are none in the House who would in any way deny the conviction and passion with which her speech to us was delivered this evening. After having said that, I would like to deal with the basis of the bill, and not to deny in any way the very strong feelings which the hon. member for Skeena has expressed.

Some time ago the director of the Women's Bureau of the Department of Labour was speaking at Thunder Bay, Ontario, and she put forward in a very simple but a very profound way the principle that the bill seeks to advance. With your permission, Mr. Speaker, I would like to quote her words on that particular occasion so that they may appear in the records of the House. She said:

● (2040)

Canadian society consists of a single total entity made up of many component parts, men and women comprising the two basic major components. But men and women in Canadian society belong to a considerable number of cultural, ethnic and religious groups, each of which is in itself an integral component of the total social structure.

Only in recent years have we come to understand that the quality of this total society cannot be higher than the quality of the least advantaged of all of its components. Thus, if the status of any one ethnic group is of a lower degree than that of another ethnic group, the quality of the total Canadian society is reduced, if the status of one cultural group is considered to be inferior to that of another, then the quality of the total Canadian cultural mosaic is thereby lowered. If the status of one racial group is inferior to that of another, then the quality of the total Canadian society is lessened.

Similarly, if the status of women in Canadian society is less than that of men, either in law or in practice—

As was so well put by the hon. member for Skeena.

—then the status of Canadian society, as a whole, is lowered thereby. For in these circumstances Canada is not only seen to be a society in which evenhanded justice fails to prevail but the country is deprived of one of its greatest resources, for it is deprived of a potential inherent in half of the population.

I think that hon. members on all sides of this House will agree that the words of the speaker on that occasion were indeed profound.

If Bill C-16 is carefully reviewed it can be found that it is part of the legislative action we must deal with in this House if we are to give more than lip service to the sound principle which is being discussed tonight, the principle of equality of status. In speaking to this bill and in stating my basic support for what it contains, I want to make it clear that I do not condone what must be described, even by the most unbiased observer, as some pretty slow progress by the government.

This bill, or one similar to it, was introduced into the twenty-ninth parliament, but during those days the government was more concerned with survival than with equity and justice, so it was allowed to die. I believe that its action—or in this case, its lack of action—is more eloquent than ministerial protestation and pronouncements, particularly in that year which preceded International Women's Year. This lack of action, I submit, speaks for itself. The fact is that the government has given a low priority to the status of women in our society.

In the fall of 1974 the bill came forward again in the form in which it is now before us, and here we are halfway through International Women's Year, just beginning the discussion of the principles of this bill, and at a time when this House is running into the tail end of the first half of this session. And all of this is occurring in the atmosphere which was created by a minister who tried to give the impression on the program entitled "Lady is a Four Letter Word" that his government gave it a high priority.

In view of the atmosphere he tried to create, perhaps we may be able to thank the minister for saying what he did because I am convinced that if he had not been cornered on that program, thereby creating the impression that he did, he would not have had to move at long last. The minister has now moved, and I suggest with the greatest of respect to him that he has moved in this direction not out of any great commitment to the rights of women, but by reason of a great commitment to himself and his own preservation.

Some hon. Members: Oh, oh!

Mr. Caccia: How can you say that?

Mr. Baker (Grenville-Carleton): All my friends on all sides of the House know that in a matter of this nature it is not my intention nor my way to be partisan—

An hon. Member: Oh, come on.

Mr. Baker (Grenville-Carleton): —because this piece of legislation does involve the fundamental rights of one-half of the Canadian people, how that one-half is to be treated, dealt with and considered, and in what way and whether that one-half is to be subject to the same law and the same practice as the other half.

What is the cause of women in Canada this year and, indeed, in every year to follow? Women in Canada are asking for the opportunity to play a full and complete role in the social, economic, and political life of this land. They ask for no more, and they will accept no less. In those terms they are asking all Canadians, men and women, to re-examine their respective attitudes toward women, and we are asked today to approve in principle a bill to give at least part of that re-examination some life.

I know of no case which could be based on a stronger foundation. Surely there are few causes which can claim to be based on such principles of human rights as have been proclaimed and are supported in our own country and in other countries throughout the world, through the auspices of the United Nations.

In Canada the fundamental document is the report of the Royal Commission on the Status of Women, and human rights legislation, such as it is, in our statutes and in those of the provinces which have made advances in that sense. This bill puts forward for consideration by this House some eleven more of the recommendations of that royal commission, so it is important on that ground alone. But let us not rest on our oars, for this bill does not bring us to the end of our labours or to the end of the road. However, we can say that it is a step, even though it is a minuscule step, along the way to what women and, I hope, fairminded Canadians regardless of sex would like to see for that one-half of the population.

I had intended to deal at some length with the principles of the legislation. The minister was kind enough to do that in the course of his speech, and the Leader of the Opposition (Mr. Stanfield) has also touched on it. The Committee will have an opportunity to deal with the detail of this legislation, so I will not do so at this time. Regardless of that, the changes which are inherent and understood in this legislation are long overdue.

Although some may say that the government and the minister cannot be faulted for bringing these changes forward at this time, I say with a great deal of respect for the minister that he and the government can certainly be faulted for not bringing them forward at an earlier stage in this parliament or, indeed, in the twenty-ninth parliament.

In considering this bill I think it is fair to say to the minister that the work of the government and of this parliament with respect to the position of women in our society and their status in that society is by no means completed. For example, I would call the attention of my hon. colleagues to the position of women in the Public Service of Canada. Within that public service women are gaining some recognition for their abilities, but though women represent more than one third of the labour force they are still mainly restricted to lower paid, non management jobs. This is not to say that the onus must fall completely on the government. The government has made some efforts in the direction of assisting women, or providing the vehicle by which women can move into management positions to a greater degree.

There is certainly an onus on women to prepare themselves educationally for the positions they desire and then to push for recognition to obtain those positions. There is support for this from the Public Service Alliance of Canada, and I know that there is the same degree of support from the Professional Institute of the Public Service. I hope that as time goes on, women for their own part will adopt a firmer stand within their respective bargaining agencies. One would hope to see more women elected to executive positions in those bargaining agencies. I think that would be carrying on the example set by Mrs. Carr and others in the labour movement.

● (2050)

I suppose part of the problem is the question of attitude. I know the position is changing, but for many women now in the public service I am sure their early life was one in which they were encouraged to become participants in traditional women's occupations. There were likely very few Canadian homes in which it was said to the daughters of those homes that they ought to become lawyers, doctors, engineers, architects. This attitude is certainly changing as enrolment in the professional schools would indicate, but there is still that reluctance which only time and new attitudes can eliminate.

I would not want anyone to have the impression that the onus is all on the women in the work force to improve themselves—there is a very heavy onus on the men in the work force with respect to their attitude toward their employees who are women.

I should like to commend to members on all sides of the House an article, actually the first five articles, referred to by the Leader of the Opposition this afternoon. The title of the article is "Canadian Business Isn't Really Committed to Extending Equal Opportunity to Women". The findings of a survey done by the Canadian Broadcasting Corporation of some 850 CBC women across Canada are surprising, to say the least.

The conclusions of the task force report are that the majority of women are dissatisfied with their status in the corporation; that they suffer from frustration in their work situation, and there is a growing feeling of powerlessness.

The very interesting statistic to be noted, and this was referred to by the Leader of the Opposition, is that the working environment in careers of CBC women are controlled by a male majority of three to one, who held an even greater proportion of decision-making power, 93 per cent of managerial jobs, and whose underlying beliefs about women's appropriate role at work differed drastically from the women's view of themselves. Another important finding is that there is a deepening frustration that

there had been so little change made. As well, there was a deep-seated belief that men were basically oblivious to their dissatisfaction and concerns, and had no real inclination toward equality of opportunity.

The results of all this, according to the report, are a reduced willingness to work, diminished productivity, and subtle forms of non co-operation in daily activities.

The report contained an excellent discussion on the problem as it relates to one corporation. I would respectfully commend it to members of the House because it concerned a public corporation analogous to the Public Service of Canada.

I would not want it to be said that there has been no advancement at all in terms of the public service. In fact the Public Service Commission annual report for 1974 does reveal some improvement in the statistical sense. But in the sense of the numbers of women involved in positions of increasing responsibility, the record is nothing to write home about. It is in this latter sense, as opposed to pure statistics, that progress should be measured.

One of the basic and classic cases of the lack of awareness of the government, and its failure to act with dispatch in terms of a large group of public servants, can be found in the case of the public service secretary and—the whole matter of rug-ranking. As you know, Mr. Speaker, I raised this matter in the House. It struck me as rather strange that the government, having received a brief in July, 1973, was only brought to a realization of the problem on February 14, 1974, a cold and frigid day when some thousands of public servants marched to this hill. For the first time there was a statement by the then minister responsible for the status of women, the Minister of Labour (Mr. Munro), that he at least recognized that they had a problem. This was a victory won by the women in the public service by way of a peaceful demonstration.

There has been a lack of action, Mr. Speaker, and a lack of awareness, and these can be found in both the public and the private sector in the world of work. The fact is that women can no longer be restricted to traditional roles. The atmosphere and the circumstances must be provided that will enable them to make choices where they are encouraged to develop their own talents in any area that they choose. That principle ought to apply in the field of federal appointments—to the bench and to government boards and agencies, and to the Senate. In terms of the public service, of course, equal opportunity for women is more fundamental than that of merely filling posts at the top; it is at the middle and the lower echelons of the public service that there exist grave disparities between the numbers of men and women.

There is a tremendous requirement in all of the urban communities in Canada for the facility of properly staffed and properly equipped day care centres. There are some who regret the necessity for this kind of centre in the community, and they are entitled to their point of view. But social and economic conditions exist in this country where, to neglect day care facilities and their importance, can result in the imposition of an economic ball and chain to those women who choose, through necessity or otherwise, to enter the work force. There is a corresponding danger to the children of those women in terms of their care. The statistical parameters of the problem can be simply put. In the city of Toronto there are 82,800 children in single parent families where there is the necessity for the parent to work.

We can deal with a number of factors that affect the status of women which this bill is intended to advance which, if I may put the case simply, is this. The case of women in Canada is the case of for equality before the law; equality in political life; in social and domestic life; education; and in employment.

While there is great emphasis given to the woman in the field of work, we must not forget those women who make the free choice of not participating in the work force but choose freely to participate in the community in the role of wife and mother. The government of Ontario has made some signal strides in this direction. The Law Reform Commission of the province of Ontario and the Attorney General of that province are to be congratulated. I suggest that such steps within the federal sphere would be welcome as well.

I do not know how one can reasonably argue that a woman who chooses to stay at home, raise children, and provide an atmosphere of tranquility, peace and stability, does not make a contribution in an economic sense to the well-being of that family unit and to the betterment of Canadian Society. Certainly the laws of contracts, and property rights, ought to recognize that equality. I believe that the law is generally moving in that direction.

In conclusion, Mr. Speaker, I want to say I do not believe that we have yet seen in this country or in the western hemisphere the opportunity for women, as one-half of the population of our country and of this hemisphere, to develop themselves fully in the sense that I have put before this House. I am one who firmly believes that while the initiative must rest with women to further their participation in those aspects of Canadian life, there is a duty on all Canadians, and a particular duty on this parliament and this government, to provide the atmosphere and the legislative framework for the advances that every fair-minded Canadian believes are right and just. Mr. Speaker, it is in that spirit that we must approach this legislation.

[*Translation*]

Mr. Bernard Loiselle (Chambly): Mr. Speaker, if at all times it has been said and readily recognized that behind every great man there stood a woman, I feel that the Progressive Conservatives, and especially the hon. member who has just spoken, should understand that the Liberals have learnt that lesson long ago and stick to it. The Liberal party has close to ten women members, whereas they have only one.

Another point raised by my colleague is that the government should appoint a great number of women to positions other than that of simply presiding over the Senate, but he did not say so clearly. I must remind him that in the past five years, seven Canadian women were appointed either to the Supreme Court of Canada or to the higher courts in the land. These are simply remarks that I wished to make following his speech which did not contribute much of anything positive.

But the fact remains that I realize, as he does, Mr. Speaker, that Canadian women have had to wait a long

time before obtaining true recognition. One has only to recall the few following facts. In 1858, women were allowed for the first time to attend lectures at the University of Sackville in New Brunswick, where not until 1867 were they allowed to take a university course, although without hope of obtaining a diploma. In 1879, the University of King's College granted its first B.A. to a woman. Only in 1884 did McGill admit women, and only in 1885 in the case of the University of Toronto.

As for the role of Canadian women in politics, we had to wait until 1876 for the emergence of the first suffragette associations organized in Toronto by Mrs. Emily Howard Stowe, the first ever women doctor in Canada, who was to advocate women's associations that rapidly spread throughout the country. Then in 1916, 1917, 1918 and 1919, the provinces successively granted women the right to vote and to sit as members of parliament.

In the province of Quebec, which I represent, such rights were granted only in 1940, unfortunately. Only in 1957 did we have the first woman appointed Minister of the federal government.

Yet, Mr. Speaker, in 1975, while people of all countries are maximizing their efforts to eliminate all forms of segregation, our attitudes in our own country, which are based upon our deepest traditions, are prompting us against our will, I believe, to cultivate the least excusable form of discrimination towards the ones who, for a long time now, have shown us their equality pre-eminently, and I mean women with a capital "W".

As a matter of fact, Mr. Speaker, one needs only take a look at a few recent statistics to show that before 1960, particularly in Quebec, people were talking about the elite from colleges and universities. But already in 1952, 21 per cent of registrations in colleges and universities were from women and that proportion reached 36 per cent in 1971-72. Moreover, I believe, whatever people may say, that liberal professions and professions from "social democracy", as some would say, were always the ones to contribute more than others to the progress of our societies. One has but to quote a few statistics to show to what degree women paved a way for themselves in our present society.

I need only talk about self-sacrifice. Whenever I talk about self-sacrifice, I talk about nurses. In 1968, 100 per cent of the nurses in Quebec were women. As regards social workers, 95 per cent were women. Twenty-two per cent of the psychologists were women although it is a science where it is most difficult to get a university diploma. I am also speaking about psycho-analysts and public relations agents.

I think we men must recognize that we have entertained and fostered certain myths because in 1968 .1 of 1 per cent of engineers were women. I think, Mr. Speaker, that it is important that we change our attitude. As the Minister of National Health and Welfare (Mr. Lalonde) mentioned both in this House and in interviews he had previously, the government may bring in any possible and imaginable legislation, but if the attitude of Canadians does not change, if we are not prepared to evolve, none of those pieces of legislation will bring the results hoped for.

Yet Canada, even if we blame ourselves, as early as 1972 and 1971, to contradict somewhat my colleague opposite,

[Mr. Loiselle (Chambly).]

passed an order in council to urge all deputy ministers to review the role of women within departments to make it easier for them to have access to senior positions in the public service. And in 1972, again Canada showed leadership at the international level—leadership that is increasingly recognized—by asking and putting before the International Labour Organization the instrument of ratification of Agreement No. 100 concerning equal pay for men and women for equal work.

Following the recommendations by the Royal Commission on the Status of Women, the government also quickly passed several measures both regulatory and legislative, and I mentioned one a few minutes ago. And in 1971 also under the Unemployment Insurance Act, the Liberal government passed a legislation providing a maternity leave of 17 weeks. And Bill C-16 that will be passed I am sure by the majority of those who have an enlightened mind, will be a step forward even though it may not be the ultimate end of the purposes the government intends to achieve.

Indeed, Bill C-16 contains excellent steps such as those that were pointed out by the Minister of National Health and Welfare. He talked about the Canada Elections Act and the Criminal Code. However, there again perhaps women are losing some of their privileges. But actually, it is a sign of her equality when there is talk of complicity vis-à-vis her husband in respect of the Immigration Act, the Public Service Employment Act, pensions, the Veterans Pensions' Act and, as I said, the legislation of 1971.

All those actions are a step forward indeed. But there are others to be taken. When we talk about confinement leave, Madam Speaker, I think we should progress further. Just think of a Scandinavian country where women are granted—and that might be a measure to consider—six months' leave after confinement, and men are also granted six months' leave directly after that so that they can become thoroughly acquainted with the realities of home.

As far as industry is concerned, Madam Speaker, I think women, although they are reaching higher and higher, should make their way to executive occupations. In my profession, in lawyers' offices, I deeply regret that, when one of my colleagues who had completed her course applied at a lawyer's office, they would wonder why they would place hopes in a woman who, four or five years later, would get married, have a child, and leave the office. If that very conservative branch does not alter its attitude, as I mentioned earlier, we shall miss the boat. In the business world, in the financial world and in international relations, I met women who indeed could have given remarkable lessons to men who indulge in a conservatism which only women will reverse and turn into a better attitude.

Unfortunately, Madam Speaker, the year 1975 which was called Women's Year is falling short of its target, for this year should have been dedicated to the identification, not revalorization of women, since they were in Quebec and in Canada as a whole, I believe, given fair recognition. However, this year was used, I believe, more to voice claims than to identify women. The Secretary of State Department, through all its programs, gave Canadian women the opportunity to have programs which would enable them to come forward and display their sense of originality, not prove it, but show their mettle, for I think

it had already been proven. And I wonder, after talking with many women in my riding, whether some of the movements really are representative. Indeed, they served all sorts of more or less bitter purposes which only lead to recriminations. Women in the Chambly constituency like all other women in Quebec and the rest of Canada really want to live Women's Year in a better way than several associations let us know, and they really want to secure through this year's programs, the means of putting forward on a long term basis programs which will not only provide women in Canada with a better situation, but will enable us to reach that just society the Prime Minister (Mr. Trudeau) advocated in 1968. And if a majority of our population are women, we must also expect great efforts on their part to help us govern this country. Just as the prime minister repeated in Montreal last weekend, to govern is not merely to pass pieces of legislation, it is to try to improve the condition of a whole society and that improved condition, Madam Speaker, is for both women and men and for the entire society, present and future.

Madam Speaker, I must congratulate the Minister of National Health and Welfare (Mr. Lalonde) who, I believe, increased his efforts by sponsoring Bill C-16. I commend him also for the meetings be held, for his drive and for the examples he gave to the Canadian people. It is not enough to pass laws in order that women be better accepted in the public service. It is not enough to pass laws in order to change something in immigration. It is necessary to adopt measures that will really change this society. Problems sometimes come from the laws, and I am sure the Minister of National Health and Welfare has already thought of a solution. I am also convinced that he has already engaged in talks with the provincial governments on that subject. One has only to think of the problem of alimonies when a woman wants to get a divorce. How many women are forced to collect their alimonies at unimaginable places. Their husband has fled the country, simply seeking to evade his obligations. I think the government must take steps to correct that situation. I remember that during the last electoral campaign, the Liberal party talked about a guaranteed income for all heads of families, and I expect this will be a subsequent step to Bill C-16.

Madam Speaker, we could enlarge upon many other subjects that should be dealt with along with Bill C-16, on the occasion of Women's Year. I believe hon. members who preceded me dealt with the proper subjects. As member of Parliament for Chambly, I wished to provide my whole support and agreement to the Minister of National Health and Welfare, to support the women and even the men who are participating in this year's activities and indeed urge them to understand the real meaning of Women's Year, instead of seeing in it a year in which we are merely going to display past sores without introducing new solutions.

● (2110)

[*English*]

Mr. Bruce Halliday (Oxford): Madam Speaker, at the outset may I say we have heard several erudite speeches this evening and these have dealt well with the philosophical and ideological implications of Bill C-16. I should like to take a few minutes to deal with a number of practicalities and suggest ways of solving certain problems. Along with my party in general, I support this omnibus bill which appears to be an attempt to provide equality of status as between males and females in our society.

I should like to make a few comments about the amendments to the Unemployment Insurance Act as applied to maternity cases, and the manner in which benefits are given out. I might say I question whether this omnibus bill is the appropriate place for these amendments. Successive ministers in this government have promised to bring in amendments to the Unemployment Insurance Act of 1971. It appears they have failed to produce them because undoubtedly they were afraid of being defeated in the House. Again, they have talked about amendments to the Unemployment Insurance Act, and there certainly is a need for a whole series of them. They were to have been brought in some time ago, but there is still little evidence that the government intends to move in this direction.

The cost of maternity benefits under the Unemployment Insurance Act is one which remains approximately the same from year to year. In 1973, according to the Unemployment Insurance Advisory Committee, almost $67 million were expended in benefits. Certainly maternity benefits do not rise or fall with unemployment rates to nearly the same extent as regular benefits. It is interesting to me that sickness benefits paid out in 1973 amounted to a little more than $80 million.

The proposed changes are, indeed, welcomed. The records of the committee studying the Unemployment Insurance Act of 1971 show that the need for these changes was brought to the attention of the minister at that time. The answer then was that the requirement concerning the eight weeks previous to the confinement and the seven weeks after the confinement was in keeping with established international labour legislation. I would be interested to hear whether this international legislation has taken a different course, or whether there is new thinking on these matters.

Eligibility to receive maternity benefits under the act rests, first of all, upon the ability to provide a medical certificate. This would, presumably, not create any difficulty for most people, but there might be a few cases in isolated areas where pre-natal care is carried out by medical personnel who do not hold medical degrees, and in such circumstances it might be difficult to get such a certificate easily. I hope provision will be made in the regulations to take care of any hardship cases which might arise.

The second criterion of eligibility requires the applicant to have worked for at least 20 weeks within the year preceding the claim or since the last unemployment insurance claim. This is at variance with the regular benefits which may be obtained after only eight weeks of regular employment. The 20-week stipulation is in line, I believe, with the sickness provision, but it does create significant problems for claimants if they get caught in certain anomalous positions. For instance, if a woman temporarily collecting unemployment benefits becomes pregnant and then finds work but is unable to continue so as to accumulate 20 weeks of employment, because of her pregnancy she will not be eligible for any benefits even though she is a permanent member of the work force and a bona fide working person. I do not know what might be done in cases such as this, but possibly a careful framing of the

regulations might be of help. I should like to hear from the minister on this point; we should certainly look carefully at this aspect in committee so that untoward hardship may be avoided.

Again, difficulties might arise in cases where a woman is an active member of the labour force at the time of conception. Human nature being what it is, few women remember precisely when they became pregnant, and as the months go by they become even more hazy as to when conception occurred. Most rule of thumb methods used to identify this date are based upon the date of the woman's last menstrual period. However, this is not a reliable guide due to the extreme variations in the physiological activities of women.

● (2120)

Most full time pregnancies are considered to last approximately 280 days, but again there seem to be wide variations. There is the celebrated case in English jurisprudence in which, in a paternity suit, the court accepted a gestation period of well over 300 days. Therefore the regulations governing the eligibility of maternity benefits under the Unemployment Insurance Act should be looked at carefully to prevent situations arising which will deprive people of their benefits through peculiar circumstances.

Further, in the pay-out of benefits considerable difficulty arises for recipients of maternity benefits. Pamphlets underline the fact to the recipient that "Your benefit payments begin after you have served the required two week waiting period". This statement is not only misleading but somewhat fallacious. Eligibility begins after a two week waiting period, but payment will not be received until five to seven weeks after the applicant's interruption of earnings. Nowhere is this fact documented and, as a result, many families budget on the expectation that they will be receiving benefit payments two weeks after application.

In other words, a single parent family, or family with no visible income outside that of the woman's, may go for up to two months without receiving any benefits or any income. The only alternative is welfare. However, when UIC benefits are viewed as insurance and a "right", as the government proclaims, this is really a poor alternative.

In this area the government might consider whether the waiting period prior to receiving benefits could be speeded up. Certainly there are individual cases where, if the mother were the only wage earner in the family and were closely tied to her work for necessary income, she would suffer considerably. A change of the benefit period, which is something that I mentioned as being deficient in the old act, is to be welcomed. Benefits can be collected to a maximum of 15 weeks. However, this period was broken down to a maximum of eight weeks previous to confinement, then one week of confinement, and six weeks after confinement.

Babies have a habit of arriving early, due to the uncertainty of the mother as to her exact dates. Complications may arise leading to an early delivery, and in many cases late delivery. By and large, women prefer to work closer to their date of confinement and really, in many cases, they need extra weeks after the confinement rather than before the confinement. Certainly in a fair percentage of maternity cases the mother may have had unusual complications, or her infant may have developed problems that make it important that she has more time out of the work force after her confinement, both to provide for her own health and that of her child. Certainly this provision is welcomed, and it should certainly have been included in the first place. I think it is fair to say that it was the rigidity of bureaucratic thinking that prevented it from being put in previously.

This bill also removes the built-in work disincentive in that the woman who worked closer to her date of confinement was penalized in favour of those who took leave early. Therefore in the whole concept it has become fairer and, as such, will be welcomed.

Finally, turning to eligibility for regular benefits, several problems arise. Recipients of maternity benefits become eligible for regular benefits when the child is seven weeks old. In certain areas the recipient becomes eligible only when she is actively looking for work and can produce a certificate that child care arrangements have been made.

A survey in the Ottawa-Carleton region by phone turned up the following. There are very few day care centres, and of those surveyed only three made provision for a seven week old child. They all thoroughly discouraged the admission of the seven week old child. Of the estimated 1,000 children under three months, only five are receiving day care. Furthermore, most child day care centres contacted have an average waiting period of four months. In other words, this stipulation under the provision for maternity benefits would essentially disqualify the average mother from receiving any benefits after the initial six week period. I believe this is one area where further government input should be made. Certainly if the woman is a single family parent she may have great difficulty.

So, in summary, Mr. Speaker, this bill does offer improvement over the status quo, but there are indeed some snags which ought to be removed from these amendments to the Unemployment Insurance Act as proposed in Bill C-16.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I should like to express my appreciation of the kind but appropriate reference the hon. member for Skeena (Mrs. Campagnolo) made to the first woman member of the House of Commons, my late friend Agnes Macphail. I appreciate as well the equally kind reference made to one who is remembered by more of those who are here, namely, Mrs. Grace MacInnis.

The reference to Agnes Macphail reminded me of what I think is one of the best stories about her participation in debate. It seems that on one occasion when she was making headway with an argument, some male member for the House of Commons interjected by saying "Don't you wish you were a man?" Quick as a flash Agnes retorted "Yes, don't you?"

It will sink in in a minute, Madam Speaker.

Mr. Baker (Grenville-Carleton): Don't worry, we got it.

Mr. Woolliams: We just didn't want to laugh.

Mr. Knowles (Winnipeg North Centre): Hon. members in all parts of the House are making what, in my view, are excellent speeches in this debate. For the most part they are agreeing that the bill is a necessary one and that it makes progress in the direction of establishing equality between men and women. But member after member is listing the areas and respects in which that equality will not yet be achieved even after the passage of Bill C-16.

I might add that Bill C-52, which will come before us some time later, might also be included among the bills that seek the establish equality. Bill C-52 is one that deals with pension rights under a number of pieces of legislation, and in all of those pieces of legislation it attempts to establish equality between men and women.

It is in this pension area that there is one shortcoming that I should like to mention. There have been discussions, and I believe that there is agreement that the second reading debate on this bill will conclude tonight. Therefore those of us who are now taking part are speaking for even a shorter period of time than was agreed to publicly a short time ago. This is my reason for dealing with just one subject.

I believe that it is a piece of gross unfairness that most pension plans—this is true of the Public Service Superannuation Act, it is true of the Members of Parliament Retiring Allowances Act, and it is true of the pension plans of the Canadian National Railways and the Canadian Pacific Railway and many other employers—provide that if there is a survivor pension it works in a strange way. If a man and wife have lived and worked together, presumably they are both responsible for whatever equity they have established. But when retirement time comes, assuming they are both still alive, a pension, whatever its full amount may be, is drawn by the husband. I am speaking of things as they are in most cases.

Now, if the husband dies before the wife, the usual plan is that the widow draws a pension which is only a portion of what her husband's pension was; in most cases it is 50 per cent. In the case of members of parliament, our widows will be entitled to a pension of 60 per cent. But in any case that is the situation. If the husband dies first the widow's pension is only a portion, in most cases 50 per cent. But if the wife dies first and the widower stays on, his pension is not 50 per cent, or 60 per cent, or 75 per cent, it is the whole amount, 100 per cent. We have had this kind of arrangement with us for so long that, like lots of other things, we have accepted it as though it were perfectly proper. I do not think it is.

● (2130)

It seems to me it should not matter which of the marriage partners dies first so far as the amount of the pension that goes to the survivor is concerned. My preference would be that it would be 100 per cent in either case, but if for actuarial reasons in order to get this sort of thing started we have to start with 75 per cent or 90 per cent in either case, let us do so. If it is proper for one of the marriage partners who survives to have a full pension, why does that not apply to the other?

I hope we will soon start to make progress in this field. There is no better place to begin this sort of change in respect of pensions than with those plans which are under the aegis of the federal government. The Public Service Superannuation Act is a case in point, and our own members of parliament pension plan is another. There are also the plans of the RCMP, the Canadian Armed Forces, and all the other plans that come directly under the government, as well as plans like those of the Canadian National Railways, Air Canada and so on.

As other members have been pointing out today, there is no use boasting about legislation establishing equality when so many areas of inequality remain. I am glad there are some points of equality which have been established under the Canada Pension Plan, and I am glad that under Bill C-52 there a number of instances in which a working woman who dies will be able to leave to her surviving widower the same benefit the working man would leave if he died first and left a surviving widow.

That does not touch this one point I am trying to focus on tonight, namely, that when both partners to the marriage survive into the retirement period, and one dies, why should not the benefits to the survivor be the same whether that survivor is a widow or a widower? I press that point as one that should be considered by the federal government because of the many pension plans for which it is responsible, and I also press the point that those who are dealing with pension plans in private industry should consider this as well.

There is no use muttering about things always having been this way, or about it being the man who has been the one to go out and earn the pension. They have both earned it, and if there is something joint or equal as between men and women let us make it equal all the way. I hope, therefore, that this point is one of those still unfinished bits of business that we will deal with at the earliest possible time. If we believe in equality, let us practice it all the way.

Mr. Douglas Roche (Edmonton-Strathcona): Madam Speaker, among all the interesting events of today is this long awaited debate on the omnibus bill respecting women in Canada. The debate has hardly begun. We have hardly begun to discuss the serious ramifications opened up by the minister when introducing this bill, yet I understand the bill is about to be given second reading and sent to the committee.

I ask myself if this is all there is in the Canadian parliament to International Women's Year, that is, a handful of speakers in a mostly empty chamber? I ask myself if it is really possible that only one of nine women members of parliament wished to speak in this debate? Let me be fair to my friend, the Parliamentary Secretary to the Minister of National Health and Welfare (Miss Campbell), by saying that I have the impression she has given up her place in this debate in order that I might speak. If that is so, then apparently there has been some change made during International Women's Year in that apparently it is now gentlemen before ladies. If she intended to speak, then I exclude her from my general criticism of women in parliament for not having spoken during this debate.

Let me say to the women in parliament that the women of Canada want to hear their voices in parliament, but when they have the opportunity where are they? The hon. member for Skeena (Mrs. Campagnolo) made a speech,

and I will refer to that speech in a moment or two. I think we might well ask in the words of that song by Peggy Lee, "Is That All There Is"?

Mr. Woolliams: Oh dear, oh dear!

Mr. Roche: The other day I received a letter from one of my constituents who wrote:

This letter is to ask you, as my member of parliament, to end the discrimination against women in Canada.

That is quite an opening sentence in the morning mail, and I was already on the defensive because there are limits to our effectiveness. This letter went on to state instances in which the courts have been discriminatory. The writer ended with what baseball writers would describe as a sliding curve by stating:

Please do not answer my letter personally. Use your time and your energy to right the wrong against women in Canada.

I thought that was what this bill and this debate were all about, but where do we start? I read *Ms Magazine*. I like to think I have been liberated from the chauvinistic thinking of a dying culture in which women's interests were cradle, kitchen, and church. I defend women's right to equal opportunity and equal pay. I have encouraged many women to run for political office since the city councils, legislatures, and parliament of Canada are largely bereft of women's voices. It is ridiculous to have only nine women among the 264 members of parliament. If India, Israel and Ceylon can have women prime ministers, why can we not have more Canadian women in public life? When I look at the Prime Minister (Mr. Trudeau)—well, let us not get into that.

If we had more women in public life we would get faster action on those discriminatory blotches that still mar our social landscape; labour and pension inequalities, inequitable executive opportunities, inadequate child care services, and unjust property settlements that degrade husbands and wives. On the other hand, the continuing economic and social handicap that women must surmount in order to succeed in modern society effectively bars many of them from public life.

The politician in me is anxious to proclaim that women's rights must be fully achieved, and that we will not have a truly civilized state until the full status of women is assured. Therefore I give my backing to the Advisory Council on the Status of Women set up by the federal government to give advice on how to implement the 167 recommendations made by the Royal Commission on the Status of Women in 1970.

I give my backing to the present bill, C-16. We cannot afford to continue to waste the talent and potential accomplishments of 50 per cent of the population. These are all sincere statements. They are also politically popular and they might re-assure, somewhat, the women who voted for me. Truthful as they are, these statements are incomplete and they appear to me to be superficial. Politicians can get by with superficial statements. It would be easier not to pursue this subject beyond the black and white answers that can be so easily projected to the electorate. The full truth is that I am profoundly disturbed by the relationship of the women's rights movement to the over-all question of full humanism in modern life.

[Mr. Roche.]

What I am concerned about is value conflict. Professor Charles Hobart, a sociologist at the University of Alberta, expresses the conflict well:

The family depends upon and symbolizes inefficient values of being, knowing, caring, loving, unconditionally committing oneself. These values are incompatible with the urban industrial values of production, achievement, exchange, quantification, efficiency, success. Simultaneous unlimited commitment to people and love and concern—and to achievement, success and prosperity—is impossible.

● (2140)

It is disruptive and potentially incapacitating to try to accommodate both sets of values. Because men all too often sacrifice success in marriage for success in careers, should women too choose the dehumanizing urban values as the criterion for success? What business is this of the politician? Why does he not stick to the clear issue of removing discrimination against women?

Again I say that it is not enough to take a single-minded view. I want to say with respect to the hon. member for Skeena (Mrs. Campagnolo), who made what I have already described as a courageous and fighting speech tonight, that I would encourage her as she considers the role of women in modern society, to which she addressed herself tonight, by saying that she will enhance and strengthen her case by taking a much larger view than that of abortion.

Most of the hon. member's speech concerned abortion. I would encourage her, having the feeling she has which I respect, to persuade her colleagues in the government to have a full and major debate on abortion. However, I say to her with respect that when she delivers a speech on women's rights, three quarters or four fifths of which were devoted to the subject of abortion, she does her cause a very serious injustice.

I cannot separate women from the totality of society any more that I can separate men. To express genuine concern about the attack on marriage as an institution and families as the central cell of our society, is not to diminish the need for women's rights. The two subjects must be fitted together. If that is not seen to be the job of the lonely politician, it is certainly the responsibility of the government in creating an economic and social climate that enhances the fulfillment of family life. I thought that was what International Women's Year would involve, and that parliament would be responding to that. I have not heard anything like that tonight.

I think that the status of the family may well become one of the explosive political issues in the decades ahead. The considerable talk today about complusory contraception, abortion, and sterilization indicates a foundation for state intervention in the name of quality of life. There is now abundant literature arguing against marriage in the traditional sense, and the increasing divorce rates reveal the *de facto* instability of the marriage institution. I will not take up the time of the House tonight to go through the divorce statistics.

Much of the new wave of thinking is suffused with the belief that the family is a tyrannical and decadent institution that needs to be replaced. In this view women should be liberated from child-rearing, mothers being an outdated occupational group. The door is then opened to those who would bypass reactionary parents by control systems that

would not only biologically engineer children but program their social and cultural environment. The point I want to make now is that what is needed especially is an application of law that accords women their human rights and, at the same time, strengthens family, and hence human, life. This principle is valid whether a woman marries or not; there simply cannot be an artificial line drawn between the feminist movement and the general society, of which the family is the core.

In fact, we increase the serious political and psychological risks by continuing to frustrate such a sense of connection between the individual and society. Whether we focus on politics or family development, our aim should be to lessen the antagonism between the sexes and also between government and its women citizens. The point of women's liberation, as I see it, is not to create a new dominance but rather to make possible the fullest participation of women in the human conversation. In short, both men and women are responsible for changes in relationships that will have deep consequences for our children, and we may not escape such responsibility by focussing only on our own emancipation. Increased freedom should increase, not decrease, accountability.

What this argument boils down to, in practical terms, is the ability of people to experience other people as real, as human. That depends to a large extent on the ability of children to experience deep and lasting relationships with adults. Some institution must exist in our society to do this. Call it a family. Give it permanence. Help youth to grasp the idea that human beings are not manipulatory conveniences, floating in and out of the realms of life, to be disposed of with the rest of the junk in our throw-away society.

The resistance of people to the throw-away mentality depends on the depth of their experiences with other people—the kind of experiences that are developed in a family. It is essential for young children in particular to have secure relationships. This is primary not only to the well being of the child but to the stability of future society composed of individuals who are reasonably secure, reasonably strong. The way in which these relationships have been provided to children historically is by women. Today women want to do other things, one of the manifestations of women's liberation. They may be able to, but they cannot discard overnight their historic contribution to the development of children in the name of occupational rights.

Day care centres have value but they are not the total solution, nor should women shrug off their responsibilities by pointing to day care centres. I am saying that until I can be confident that the full human support the family gives a child can be protected I am cautious about women's liberation.

Reverting to my responsibility as a member of parliament, I look for social policies that will help families to stay together and develop the potential of all within the family. This certainly extends beyond voting for increased family allowances, which is the easy way out for the government in meeting its responsibilities. Every policy, whether it be economic, cultural, social, recreational, affects families in some way of course. We must begin to see more clearly the impact that they all have on human relationships. As William Dyson, executive director of the Vanier Institute of the Family says:

> We must go deeply into what we mean by law, which now reflects the machine world so heavily, and recognize fully that if we want a family policy that is truly applicable and useful, we have no choice but to perceive the whole of public policy as critical to our future as persons, as families, in our groups and in our society.

We are back again to the need to change our priorities in policy making so that people, not economic growth, come first. As a member of parliament, then, I am concerned with monitoring the consequences of policies and programs which may seem unrelated but actually make up the total social community. I have to learn to live with the fact that I do not have all the answers. Even being able to ask the right questions about the direction of society is a sizeable accomplishment these days.

I ask these questions in the framework of a set of values, that the good of everybody, women, men and children, be taken into account. One of the ways in which this total approach works out is seen in wages. A man today cannot afford to give up his job and have the family exist on his wife's earnings because women ordinarily earn less than men. But if her earning power were as great as a man's then the wife could, when desired, be the sole bread-winner, allowing her husband to manage the home or explore new interests. Thus women's rights could work for the liberation of men.

● (2150)

This larger view of women's rights was expressed by Sylvia Gelber, director of the Women's Bureau of the federal Department of Labour, who favours a bills of rights entrenched in the constitution of Canada to provide for women's equity before the law, as follows:

> If carefully drafted, it might also provide for other groups of people, people who are young; people who are old; people who are disabled; people who are poor; as well as people who are female, be they single or married, that even-handed justice which is the goal of those concerned with the well-being of our people and of our country.

In this way we can see women's rights as part of the whole human rights field that has occupied international attention since the end of World War II. When the universal declaration of human rights was adopted in 1948, fundamental rights were declared to be the right of all without distinction, including sex.

The United Nations has, in the meantime, devoted more energy to ridding the world of racial discrimination than sexual. Some specialized agencies have, however, adopted a number of conventions affecting the rights of women in such fields as education and employment. The International Labour Organization has adopted a number of conventions affecting the rights of women in all conditions of employment, including recruitment, promotions and pay. The I.L.O. conventions have been ratified by Canada, leading to the passage of anti-discriminatory legislation here—although it took the report of the Royal Commission on the Status of Women to produce clear legislation outlawing sexual discrimination.

Even now, however, more legislation is needed to amend the Canada Labour Code to ensure equal access to job opportunities; amendments to the federal Superannuation Act are needed to ensure equal pension and fringe benefit rights; there should be equality for women and inclusion

of homemakers in the Canada Pension Plan; and there should be proportionate appointment to and employment by federal boards, commissions and Crown corporations.

The Canadian Bill of Rights, passed in 1960, was designed to provide, within the area of federal jurisdiction, equality before the law without distinction on grounds of sex. But, as Miss Gelber notes:

The courts have generally interpreted the Bill of Rights in such a way as to assume that parliament did not intend by its provisions to alter other federal laws which might have been interpreted as being inconsistent with the Bill of Rights.

Because of the limitations of this federal statute, a stronger instrument is needed to override any existing statute that allows discrimination. The laws in a number of provinces contain a variety of discriminatory clauses affecting women, particularly in the fields of family law, welfare and property rights. Welfare legislation often operates to the disadvantage of women, frequently denying equity on grounds of personal morality. We have not touched on that contentious issue tonight.

The assurance of equal rights in the provincial field is required as well as in the federal. This is what has led to the clear need for Ottawa and the provinces to agree on a constitutional bill of rights—even though this goal is a very elusive one. The establishment of the federal Human Rights Commission to enforce anti-discrimination laws is a step toward this goal because it will help to strengthen public attitudes concerning justice.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He can continue only with the unanimous agreement of the House.

Mr. Roche: Madam Speaker, may I have three seconds more to complete my remarks?

The Acting Speaker (Mrs. Morin): Is that agreed?

Some hon. Members: Agreed.

Mr. Roche: Putting women's rights in the context of human rights enables us to think positively and avoid the polarization that is inevitably produced by the bra-burning syndrome. Men need to be liberated too. I agree with Betty Friedan's judgment that:

Women's liberation is only the first step in a sex role revolution that's allowing men to be tender, gentle and compassionate.

I hope she is right when she claims that dropping the masks of male dominance and female submission will not lead to unisex but to a more robust and joyous heterosexual love.

I think the present social position of women can be understood and improved only within a broad social context where, as Esther Greenglass says:

—the effects of attitudes, motivation and social structures themselves are systematically examined.

It is time, finally, to get rid of the idea that one sex must be compliant, supportive and inferior, while the other sex must be aggressive, ambitious, and strong. Parliament spends a lot of time on subjects of much less importance.

[Mr. Roche.]

Mr. Lalonde: I rise on a point of order, Madam Speaker. There seems to be a favourable disposition on the part of hon. members to extend this sitting by ten minutes so that my parliamentary secretary may conclude the debate and we can give second reading to the bill tonight.

Mr. Roche: I rise on the same point of order, Madam Speaker. Speaking for our party, we would be most pleased to agree to the suggestion and to return the favour which the parliamentary secretary gave me.

Mr. Baldwin: Madam Speaker, you might probably be able, just as successfully as Mr. Speaker, not to see the clock.

The Acting Speaker (Mrs. Morin): Is that agreed?

Some hon. Members: Agreed.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, before proceeding I would like to refer to what the hon. member for Edmonton-Strathcona (Mr. Roche) noted, namely, that there were not too many women present to speak in the House on the subject before us. May I point out that most women would prefer to hear men speak on the subject of inequality with regard to women.

Also, I would like to point out the active role that women politicians, at least from our side, are presently playing. Madam Speaker was in the chair during the debate; the hon. member for Skeena (Mrs. Campagnolo) has spoken, as we know; the hon. member for Saint-Michel (Miss Bégin) is in Europe with the parliamentary committee; the hon. member for Trinity (Miss Nicholson) is at the meeting of the Standing Committee on Immigration Policy; the hon. member for York South (Mrs. Appolloni) was to speak this afternoon but had to be called away; and the Minister of the Environment (Mrs. Sauvé) has been in the House all evening during debate of this important topic and has spoken on it on many other occasions.

It is indeed with pleasure that I rise to close the debate on this bill called by many the omnibus bill but really called the Statute Law (Status of Women) Amendment Act 1974, and to see it go to committee, following which, I hope, it will come back here soon on the road to its final destination.

The bill, can only help all Canadians. As we know, it amends certain acts to provide equality under these statutes for male and female persons. The government, following the recommendations of the Royal Commission on the Status of Women, the Advisory Council on the Status of Women, and of many organizations and individuals, has sought to do away with the provisions in eight pieces of legislation which discriminate against women or are otherwise prejudicial to women.

Among others, this bill will deal with the Canada Elections Act which will have one set of rules for listing electors. Information will now be descriptive of the elector in terms of the name, address, occupation and sex of the elector.

The Criminal Code will have two changes. No longer will there be presumption of coercion of the woman by her

spouse under section 23(3). In addition, section 197 will be amended to make it obligatory for married women to provide the necessities of life for their spouses. This puts the same onus on both spouses.

The National Defence Act will allow girls to be treated the same as boys—all as cadets. The Unemployment Insurance Act will also be amended to make a flexible 15 week period for maternity benefits, something which I am sure most pregnant women merited in the past and will have in the future. Other acts to be amended are the Immigration Act, the Public Service Employment Act, the Pension Act, and the Civil War Pensions and Allowances Act.

The government has also moved amendment to the Canada Pension Plan, one of the most significant being provision of full equality for male and female contributors and beneficiaries under the act.

Presently before the House there is the citizenship bill which, among other things, will grant citizenship for either the male or the female parent. It is also anticipated that the Human Rights Commission legislation will be brought to the House, as well as amendments to the Criminal Code in respect of rape and other sexual offences. All these amendments can only show the ability of this government to recognize the need for providing equal treatment for men and women.

However, attitudes will not change in Canada simply by enforcing legislation. One must remember that we are striving for equality between men and women on the basis of freedom of choice of work, freedom of choice of environment, and freedom to choose something other than existing ideas which categorized women in the past as being designated to one role.

● (2200)

Young people today are moving that way in a much easier fashion. There will be no stumbling blocks. They know what they want. I will quote from the magazine *Ms.*, a letter from Anita Buzick II of Killeen, Texas:

> When I saw that in my spelling book they had "The Queen is the wife of a King", I got really mad. Even though I'm only nine years old, and only in the fourth grade, I've written five poems. One from the five I thought you might want to put in *Ms.*
>
> Here it is:
>
> If you think I'm going to slave
> in the kitchen for a man who is
> supposed to be brave,
> Then I'm sorry to say,
> but you're wrong all the way,
> Because *I'm* going to be an
> astronaut.

These ideas are among our young coming up. No longer will young boys and girls be thought of in different directions. They are going to go after the same jobs whether they be in construction, teaching, medicine or any of the other fields.

I, being a parliamentary secretary to the Minister of National Health and Welfare (Mr. Lalonde), at any time in the short while in this position have had to clarify that I am a member of parliament and that being a parliamentary secretary is only for a member of parliament. It is always assumed when I appear to represent the minister that I must be one of the secretaries from within the department. This, I am sure, does not happen with the opposite sex because secretaries have always been designated female.

It is my understanding that a statement was made this afternoon in the House to the effect that every woman should have the choice to stay at home and be a housewife if she chooses. I agree with this commendable statement, but I would like to point out that it is the type of statement which creates an attitude, and a false one. One should say, rather, every person, instead of delegating the role of the home to a woman. While on the same statement I would like to go one step further and define choice.

In the past women had the choice to go out and work for a few years at some defined position which belonged to being a woman, and then to get married and have a family. There was no choice in this accepted role. The woman had to find a husband because she could not survive, for the most part, on the amount she could bring in and, under the circumstances, which would eventually offer no challenge to her. She therefore accepted to be challenged as a housewife without being able to choose any other role to fulfill herself. Equality in our society in the future will allow all people to choose a role and to further themselves within that role to the extent that their choices were educated and not designated by society to be fulfilled.

Under circumstances where women are employed and earning the same amount as men, perhaps at that point one can have an educated choice either to pursue the role within the working world or to stay at home, raise a family and be the supportive element to the working spouse. But for this person it will have been chosen and will become a career. This type of choice can only enhance family life.

At present there is probably under utilization of half the talent in this country. This can only show that both men and women are losers and that the country as a whole becomes a loser. Role stereotyping is damaging to men as well as to women, and true equality can only be good for both sexes.

I would like to speak for a few minutes on the economic discrepancies which exist and which it is hoped will be changed before too long by legislation at the federal level, such as the Human Rights Commission, and surely all provinces will bring this type of legislation into play in respect to provincial government jobs. However, to further heighten this point I would like to read from "Women's Bureau '74" put out by Labour Canada, at page 39:

> The average employment earnings of full-time full-year male babysitters were more than twice (127.5 per cent) those of female babysitters during 1970. In a world where we have become accustomed to looking on certain kinds of occupations as male and female, this interesting fact appears to be somewhat ironic. Yet it is not the only occupation generally viewed as female in which male workers show average employment earnings in excess of those of the female workers in the same occupation.
>
> Among the professions, for example, that of librarian is generally viewed as a female profession; yet the average employment earnings of men librarians exceed those of women by almost one-fifth (18.6 per cent). Similarly, the professions of dietitians and nutritionists are generally looked upon as female; yet male workers in these professions derive average employment earnings almost one-quarter (22.6 per cent) more than the female workers. Another example of an occupation that at one time was looked upon as male, but, in recent years, has

tended to become female is that of tellers and cashiers; yet the average employment earnings of male workers in these occupations are one-half (50.9 per cent) greater than those of female workers.

Madam Speaker, I now turn to page 43 to read a little bit further about this economic discrepancy as follows:

In so far as the gap in earnings between men and women in the labour force is concerned, disparities are all too evident. In fact, in terms of actual dollars earned, there is evidence that in many instances the gap is a widening one. For example, between the years 1969 and 1972, the dollar gap between the reported earnings of men and women workers widened in 37 out of 74 occupations.

The broadening of the dollar gap, it would appear, is due primarily to the widespread practice of increasing wage rates on a flat percentage basis. Thus, for example, if in a given occupation, a male worker is paid $3.00 an hour and a female worker is paid $2.50 an hour, the effect of a flat rate 6 per cent increase is to widen the dollar gap between the two.

The remedy lies not only in achieving at long last the principle of equal pay for equal work but in opening up opportunities in the work world for women workers so as to remove existing obstacles to full participation in the Canadian economy. One of the means of achieving this end is by ensuring that women prepare themselves academically and technically through the existing institutions of higher learning as well as the technical schools of the country.

It is very easy for the members of the opposition as well as organizations to say that the government has not done enough. However, it is only recently that an awareness among 51 per cent of the population has started to take effect. It is only through those situations arising from their jobs that women can now begin to concentrate on what is dissatisfying, concentrating and organizing to use their very powerful 51 per cent to register their dissatisfaction and ask for more education, more legislation, to obtain more jobs of importance. This way women will be giving their own input to affect other women, such as the demand that all provinces obtain day care centres.

For example, in the case of women lawyers when a client comes to an office on a family matter most often the male lawyer cannot help but look at her and say "I suppose if I were married to her I would divorce her too, or separate from her" and the female lawyer deals with the matter. This is common amongst most male lawyers—at least the ones who have brought it to my attention.

Women are beginning to waken up to the fact that they too can do the job. Awareness of this fact will change attitudes, and time will bring this about. It is easy to hide behind the "do something" syndrome when women themselves do not know what to do because of the mixed feelings they have about their own role. It is not just by providing legislation that we will change and become equal—it is by attempting to change attitudes and make people aware that women can do the job equally as well as men, be it in the working world, be it at technical schools, be it at universities, be it in government, or be it in the homes.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

[Miss Campbell.]

● (2210)

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—SUGGESTED REVIEW OF REDUCTION OF TARIFF ON TIRES

Mr. Cyril Symes (Sault Ste. Marie): Madam Speaker, the other day I directed a number of questions to the Minister of Finance (Mr. Turner) concerning difficulties being experienced in the Canadian auto tire production industry. The answers I received were quite unsatisfactory. Therefore I wish to pursue the matter further at this time in the adjournment debate.

We have witnessed recently yet another example of Liberal government economic policy putting Canadians on unstable economic ground. At Whitby Tire at Whitby, Ontario, 290 workers were indefinitely laid off. The company cites the economic slow-down in the auto industry as the cause, but the facts dispute this. Sales figures show that the volume of sales has increased slightly, although the profits are down somewhat. Obviously from the company's point of view, the decision was a micro-economic decision based solely on the profit maximization principle.

The United Rubber Workers, who incidentally report 2,000 of their 18,000 workers laid off, see part of the reason for the Whitby lay-off as the result of a tariff reduction from 17½ per cent to 12½ per cent on imported tires and tubes. This, without doubt, is a contributing factor, but the scope goes well beyond the tariff rate.

Since 1965 Canada has had a trading deficit in the rubber tire and tube industry every year with the exception of 1967. The total deficit to the end of 1974 was $298 million. The deficit for 1974 alone was $155 million, an increase of 600 per cent from 1973, and the trend shows no sign of change. The trade figures for January and February, 1975, show a $24 million deficit, itself equal to the whole deficit of 1973.

The causes for this jump are quite clear. In 1974 the companies tried to break a strike in the Canadian industry by importing American tires. The American parent of Whitby Tire, Firestone, increased their product imports at that time in an unsuccessful bid to circumvent the strike. Now that the American parent has a strong established foothold in the Canadian market, what use is there for a small subsidiary such as Whitby?

How many Canadian jobs must be lost before the government and its supporters realize that Canada must take positive steps to control its own economy? How many jobs of Canadian workers will be sacrificed to benefit United States parent companies before the government realizes that the Foreign Investment Review Act must be revised and tightly enforced? When is the government going to institute quotas as a stipulation in its tire-import-export trade?

The problem, as illustrated by Whitby Tire, is that Canadian plants do not have a reasonable share of the

North American market. The Liberal government is guilty of mismanagement and indifference. The workers of Whitby Tire, especially the 290 laid off, would be the last to agree that the Firestone takeover of Whitby Tire is of "significant benefit to Canada", as required by the Foreign Investment Review Act concerning Firestone's takeover of the company.

Is the Minister of Industry, Trade and Commerce (Mr. Gillespie) prepared to review, along with his colleague, the Minister of Finance, the decision to reduce the tariff rate from 17½ per cent to 12½ per cent? Is the minister prepared to consult with the tire industry officials to work out a means of recapturing Canada's rightful market share? These questions have been asked before but responses have not been forthcoming. The question boils down to whether or not the government really cares about the thousands of rubber workers and their future.

The Department of Finance took some interest, for it invited the presidents of the Canadian tire industry to Ottawa so as to ascertain their plans for expansion and employment. Was a bleak picture presented? Quite possibly, because the department did not inform the union or this House as to what transpired. The only statement forthcoming was that at the present time there was no need to increase the tariff to its previous level of 17½ per cent. The fact remains that the present reduced tariff acts only as an incentive to import tires and as a disincentive to the Canadian industry and the workers directly and indirectly dependent on it.

Some will argue that an increased tariff would increase the price of tires. However, the reduction in the tariff has not reduced tire prices. I see no reason why an increased tariff should increase prices. The fact remains that United States and Canadian tire prices are similar, and claims that imported U.S. tires are cheaper are simply unfounded.

We in the New Democratic Party feel the government must protect Canadian industry and Canadian jobs. I ask that the minister take action to restore Canada's share of the tire market. Our working people have rights, and must not be left to the mercy of U.S. based multinationals. The Canadian tire industry must not be allowed to die.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Madam Speaker, let me say at the outset that the government shares the hon. member's concern about the current employment situation in the rubber industry. The question is whether this is due to the increase in imports as such and, more particularly, to any increase which may have been occasioned by the reduction in the tariff, or whether it is a result of the general situation in the automotive industry.

Hon. members will be aware that this tariff reduction was one of a number of tariff cuts originally introduced in the budget of February, 1973, as part of the government's program for moderating inflation. The legislation gave the governor in council authority to restore the original rates of duty if circumstances warranted such action.

Following the introduction of the November budget the United Rubber Workers' Union requested the government to restore the 17½ per cent rate. The Minister of Finance (Mr. Turner) directed his officials to carry out a full investigation of the situation and to report back to him. Officials of the Department of Finance and of the Department of Industry, Trade and Commerce met frequently with representatives of the United Rubber Workers. Officials of the two departments also sought the views of the major tire companies. The companies attributed the increase in imports to the decision of the automobile manufacturers to equip their new models with radials sooner than had been expected. This had taken place before planned expansion of radial tire production in Canada had come on stream. I am given to understand that some of these new plants will be in production shortly.

The union and the companies were asked to submit additional information concerning the outlook for employment and production in the industry. I understand that on the basis of this data a more detailed report has now been made to the Minister of Finance. It will, of course, be up to the minister to decide what further action may be necessary once he has studied the report. So, contrary to what the hon. member has said, there has been consultation, not only with the tire companies but with the union.

EXTERNAL AFFAIRS—GARRISON DIVERSION—SUGGESTION UNITED STATES BE ASKED FOR A MORATORIUM ON PROJECT

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, this is the second time within nine days that I have risen to ask the government to call for a moratorium to halt the Garrison diversion project in North Dakota. On May 20 I gave reasons why a moratorium should be sought. One of them was a statement made by Mr. Charles A. Vanik, the Ohio representative, that the Garrison project was "environmental and economic madness." Mr. Vanik added:

> The Bureau of Reclamation has tried to do everything in its power to push the Garrison project ahead. Nothing can hide the fact, however, that it is an environmental disaster.

I presented new evidence to the Acting Prime Minister (Mr. Sharp) today and I propose to read a letter in just a moment or two. On May 20 the parliamentary secretary stated that the Canadian government would be sending a blunt note, along with the United States government, to the International Joint Commission, calling for another study. The last thing we want is another study into the Garrison diversion project. If time allowed, I could stand here for three hours quoting from studies showing why this project should not be proceeded with. It is unfortunate that the government is not looking at these studies because it would then know that it should be calling for a moratorium, not a further study.

● (2220)

What is also most disappointing is that the Schreyer government of Manitoba has gone along with this proposal that a note be sent to the IJC for another study. I note that the hon. member for Winnipeg North Centre (Mr. Knowles) is here tonight, and I hope that he will use his influence to contact Premier Schreyer and ask him to get together with the federal government in calling for a moratorium.

Today I forwarded a letter to the Acting Prime Minister from William S. Moorhead, who is the chairman of the

conservation, energy and natural resources sub-committee in the United States, to the Hon. Henry A. Kissinger, Secretary of State, dated March 19, 1975. The letter reads as follows:

Recently, the General Accounting Office and your department have concluded that "as presently proposed", the Garrison Diversion United in North Dakota, which the Interior Department is now constructing, "would likely result" in pollution of Canadian waters "in violation of Article IV of the Boundary Waters Treaty with Canada". Interior does not dispute this conclusion.

Despite this, Interior is continuing to construct the project as now planned. Indeed, in a February 28, 1975 letter to our subcommittee, Interior states that "adoption of significantly revised alternative plan of development" to avoid a treaty violation "would require new or amended legislative authority."

It has been suggested at recent joint U.S.-Canadian meetings that the matter be referred to the International Joint Commission (IJC). But in the meantime, the Interior Department is continuing to build the project which is now 18 per cent completed.

I do not object to such a referral. But I find it difficult to understand how the United States can justify continued construction of a project which is certain to result in a Treaty violation.

I hope the parliamentary secretary has some firm answer on this subject tonight, and will not simply say that we are just going to send off another little note to the IJC.

Assurances that the project will not be allowed to result in a treaty violation are empty since there is no indication any alternatives proposed by Interior will ever be acceptable to Canada or Congress. As more money is expended and more of the project completed, it will become increasingly difficult from a political point of view in the United States to halt the project if the IJC finds that no viable alternatives exist—

Mr. Moorhead went on to say:

I strongly share that doubt. I think it is time the United States face up to the fact that our treaty obligations with Canada require a moratorium on further contracting for this project until a viable alternative is developed. Such a moratorium should not result in any costs to the United States. I urge that you take the lead in establishing such a moratorium.

That is very strong language, Madam Speaker, and we cannot ignore it. In another letter from the United States Department of the Interior Commissioner of Reclamation to the deputy under secretary, it is stated, among other things, that the United States will have to do studies into field data for potential pumping plant sites, damsites, canal alignments, desalting plants and brine disposal sites, some in Manitoba, with considerable assistance from outside agencies. The letter goes on:

The March 11, 1975, memorandum from the Assistant Secretary—Land and Water Resources to you recommended that the studies be "informal" and not made available to "local interests nor to the Canadians."

So they are suppressing information from us. This is reason enough to call for this moratorium, and not just send some silly note off to the IJC.

It further states:

Further study of the alternatives at a level below feasibility grade, but sufficient to provide a closer look at the viability of the alternatives in sufficient time to properly consider the request for funding on the construction of the Velva Canal, can be completed by June 1976

In a press release issued yesterday by the Prairie Environmental Defence League Inc. it is stated:

U.S. Officials Conspire to keep Canadians in dark over Garrison project.

[Mr. McKenzie.]

Desalinization plants and brine disposal fields are in store for Manitobans because of the Garrison Diversion project in North Dakota, according to George Heshka, chairman of the Prairie Environmental Defence League. The desalinization plants and brine disposal fields, a U.S. compromise to pollution of the Souris River, were named as alternatives by Gilbert Stamms, commissioner of the Bureau of Reclamation, in a memo to the deputy under secretary of the department of the interior (attached). In the memo, Stamms said some of the brine disposal fields would be located in Manitoba.

Heshka charged the bureau with "deceit and secrecy" in not reporting the possibility of brine disposal fields to Manitobans and Canadians. Stamms said, "he concurred that studies (concerning desalinization plants and brine disposal fields) should be informal and not made available to local interests nor to the Canadians—"

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. gentleman, but his time has expired.

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, the hon. member keeps insisting on what he calls a moratorium. To start with, I will just quote what I said on May 20, as recorded at page 5955 of *Hansard*:

In February, 1974, the United States government gave assurances that the United States would honour its obligations under the treaty—

I was referring to the 1909 Boundary Waters Treaty. I went on to state:

—the United States would honour its obligation under the treaty and pledged that no project construction potentially affecting waters flowing into Canada would be undertaken unless it were clear that these United States obligations under the treaty would be met.

We have no reason to believe that the United States will not honour its commitment after giving us assurances that it would.

In view of our concern over the potential adverse effects of the Garrison project, as currently envisaged, we are of course pleased to learn, if the press reports are accurate as to the contents of this document, that the Bureau of Reclamation is examining alternatives to the current project. However, I would note that our ongoing discussions with the United States are being conducted at government-to-government level, and not at the level of the Bureau of Reclamation. I am confident that no significant information relevant to the Garrison project as it affects Canada will be withheld by either side, in keeping with the traditional candour and frankness which characterizes our exchanges with the United States.

The United States has assured us that no decision on construction involving any diversion of water into the Souris Basin would be undertaken prior to 1978. United States officials have further stated that, under the present timetable, construction of the Velva Canal is not scheduled to begin until 1980, and construction on the Souris River is not to begin until 1981. In this regard we are confident that the United States will honour its long standing pledge that no project construction potentially affecting waters flowing into Canada would be undertaken unless it were clear that the United States could meet its obligation under Article IV of the Boundary Waters Treaty not to pollute water crossing the boundary "to the injury of health or property" in Canada. We are, of course, in continuing consultation with the United States government on the question of project schedules as they might affect Canada. We shall, however, seek official re-affirma-

tion from the U.S. government that our understanding of the construction schedules is correct.

Canada's discussions with the United States about possible reference to the IJC are at a preliminary stage and we have not yet received a U.S. draft. As the Secretary of State for External Affairs (Mr. MacEachen) stated recently to the House committee on external affairs, to agree to a joint reference we would, of course, on our side have to get language that would be acceptable to Canada—

● (2230)

[*Translation*]

The Acting Speaker (Mrs. Morin): I regret to interrupt the hon. member but his time has expired.

Motion agreed to and the House adjourned at 10.31 p.m.

APPENDIX

CN PENSION INCREASES

On account of continued increase of cost of living it has been decided to escalate CN pensions effective January 1, 1975 on the following basis:

Retirement in	Pensioners monthly flat rate increase	Widows monthly flat rate increase
1967 or prior	$12.00	$6.00
1968	$11.00	$5.50
1969	$10.00	$5.00
1970	$ 9.00	$4.50
1971	$ 8.00	$4.00
1972	$ 7.00	$3.50

This approach gives pensioners and widows who retired before the benefits became payable under the Canada/Quebec Pension Plan, the largest increase (6%) tapering each year as benefits under these plans increased. No increase is being granted to pensioners who retired in 1973 and 1974, since they have benefited substantially from the improvements in the CN pension plan effective January 1, 1973.

The cost of escalating on this basis has been estimated by our acturaries at $2,230,400.00 per annum over an amortization of 17 years, 9 months in accordance with the pension benefits standards act.

Advice of the new increases will be sent to recipient with their June pension cheques and the increase including arrears to January 1, 1975 will be reflected in their pension cheques as soon as possible thereafter.

At the end of 1973 we had increased contributory pension on account of the cost of living by 2% for all years back to 1935. The latest increase applicable to all pensioners in payment on December 31, 1973 was 4% effective January 1, 1974.

HOUSE OF COMMONS

Friday, May 30, 1975

The House met at 11 a.m.

ORAL QUESTION PERIOD

[*English*]

FOOD PRICES

REQUEST THAT MORE UP TO DATE PRICE INDEX BE PUBLISHED BY STATISTICS CANADA—GOVERNMENT ACTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in view of the shockingly bad attendance on the ministerial benches because of 'flu or Friday—

Mr. Turner (Ottawa-Carleton): Your benches are not exactly crowded. It is not exactly standing room only over there.

Mr. Baldwin: —on the ministerial benches by people who have a duty to be there—

Some hon. Members: Oh, oh!

An hon. Member: Twenty-three Tories in the House right now!

Mr. Baldwin: —I should like to address this question to the Acting Prime Minister, the compendium of all knowledge.

Some hon. Members: Hear, hear!

Mr. Dinsdale: Take it easy.

Mr. Drury: The first sensible word you have uttered so far.

Mr. Baldwin: In the last few weeks, Canadians have become increasingly aware of the tainted meat issue. It now appears they are being faced with tainted statistics. In the light of the fact that the average housewife sees her food cost rising at a far greater rate than portrayed by Statistics Canada, will the minister instruct Statistics Canada to consult with the Food Prices Review Board and together establish a food index which more accurately illustrates the rising food prices for the average Canadian family?

Hon. Mitchell Sharp (Acting Prime Minister): In case the interjections did not get on the record, may I say there are a number of ministers away today on official business. I hope there are enough Tories on the other side to ask sufficient questions.

Mr. Turner (Ottawa-Carleton): Only 23 present!

Mr. Sharp: Since there are only 23 of them here, I am afraid they will have to double up to meet their responsibilities.

The Bureau of Statistics does expect to list a representative basket of food items on the basis of which to make its calculations. This is always subject to review, and I am sure the bureau has been reviewing the situation constantly. This has been its practice in the past and I am sure it will be in the future.

Mr. Baldwin: In the light of the fact that all indicators point to a substantial increase in food prices in the next few months, and since the Statistics Canada survey of prices is about two months old, would the minister instruct Statistics Canada to improve and speed up its procedures so Canadian housewives can be provided with accurate and up to date information?

Mr. Sharp: These are very difficult statistical problems. I believe our index of consumer prices is a reasonably good one. Though I do not think the Bureau of Statistics would claim it is representative of every family, it represents an attempt to achieve an average. I do not think there is any need to issue any such instruction to the bureau as the hon. member has suggested. They are certainly concerned about their professional competence.

SUGGESTED PUBLICATION BY FOOD PRICES REVIEW BOARD OF MONITORING FOOD BASKETS IN TWELVE CITIES

Mr. G. W. Baldwin (Peace River): My request was with regard to time. The minister might bear that in mind. I have a supplementary question for the Minister of Consumer and Corporate Affairs. In light of the moderating effect that the publication of the results of the monitoring of certain food baskets by the Food Prices Review Board has had in Ottawa, would the minister instruct the Food Prices Review Board to publish similar statistics for the 12 cities they are already monitoring?

● (1110)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I shall take up the matter with the president of the commission.

[*English*]

AGRICULTURE

POTATOES—GOVERNMENT ACTION TO IMPLEMENT RECOMMENDATIONS OF FOOD PRICES REVIEW BOARD WITH REGARD TO MARKETING

Mr. David MacDonald (Egmont): Mr. Speaker, my question is related to the tabling today by the Food Prices Review Board of its special study on potatoes and its recommendations, particularly those directed toward the Minister of Agriculture. In view of the statement in the report this morning that the board rejects mandatory supply controls as a method of stabilizing supply swings and instead recommends a potato market information organization and a contributory income insurance program that will be operated by the federal government, is the minister in essential agreement with the conclusions and recommendations of the Food Prices Review Board? What steps will he take to implement those recommendations?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, from the beginning I said that we would be establishing a federal-provincial potato study committee, and that has been established. It is holding discussions to try to work out what kind of program can be developed for the potato producers. I have said that it should be a one-desk selling system. I have not had time to read the report that was put out by the Food Prices Review Board, but they have been wrong many times in the past. I am not saying they are wrong this time because they have also been right many times in the past.

POTATOES—REQUEST FOR ADDITIONAL REPRESENTATIVES FROM ATLANTIC REGION TO COMMITTEE STUDYING MARKETING

Mr. David MacDonald (Egmont): I am glad that the minister is keeping an open mind in this situation, Mr. Speaker. Perhaps for him it may be the triumph of hope over experience. As a supplementary question, may I ask him whether, in light of the fact that some of the recommendations apply to more than just departments of agriculture, either federally or provincially, particularly in the area of increasing transportation difficulties and the present tariff problems with the United States, the minister will be adding to his committee representatives from the Atlantic transportation commission, which is presently studying this issue, as well as from the Department of Industry, Trade and Commerce, in order that a full and effective decision can be made with respect to the recommendations put forward today?

Hon. E. F. Whelan (Minister of Agriculture): I think the recommendations are obvious ones, Mr. Speaker. No committee would be that naive not to take them into consideration because they are so obvious. I do not know whether I should congratulate the Food Prices Review Board for putting the obvious into their report or suggesting the obvious, but any committee of any intelligence at all would be suggesting and studying that matter.

[Mr. Ouellet.]

POTATOES—POSSIBILITY OF COMMITTEE ON MARKETING INVESTIGATING COST OF PRODUCTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I put one supplementary question to the minister. In regard to the terms of reference of this committee, will it have authority to look into input costs of production as well as merely the marketing of the product?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, again this would be a natural thing for them to do. With regard to the tariffs, if the Food Prices Review Board have experts on tariffs we would certainly appreciate hearing from them. Tariff discussions are going on at the present time in Geneva with regard to this very commodity.

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CONSUMER AFFAIRS

REQUEST FOR TABLING OF REPORT ON DUMPING OF HAZARDOUS PRODUCTS IN NORTHERN TERRITORIES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. The media in my constituency have mentioned a report commissioned by the minister to look into problems faced by consumers in the north. Specifically the news broadcasts mentioned the dumping of hazardous products which have been banned by the department into the northern market. Is the minister prepared to table this report?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I shall look into the matter. I am sorry, but I am not up to date on this matter. I shall find out whether the report can be tabled and, if so, I shall be glad to table it.

[*English*]

REASON FOR FAILURE TO ENFORCE HAZARDOUS PRODUCTS REGULATIONS SIMULTANEOUSLY IN NORTHERN AND SOUTHERN PARTS OF COUNTRY

Mr. Wally Firth (Northwest Territories): Mr. Speaker, may I put a supplementary question to the minister. In view of the fact that products such as certain models of Sony television sets and children's bubble bath, which have been labelled hazardous by the department, were on the shelf for a considerable period of time after they had been removed from the southern market, can the minister explain to the House why the department's regulations were not enforced simultaneously in the northern and southern parts of the country?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I cannot. I shall check and give the hon. member an answer later on.

[*English*]

Mr. Firth: A final supplementary question, Mr. Speaker. Is the minister prepared to commit more of the resources of his department in the future to the task of ensuring that

northern consumers are afforded the same protection as consumers in the south?

[*Translation*]

Mr. Ouellet: Mr. Speaker, obviously, my department would like to give all Canadians equal services, regardless of where they live. Still, as all other departments, mine has budgetary constraints.

* * *

CRIMINAL CODE

REQUEST BY ABITIBI CHAMBER OF COMMERCE FOR REFERENDUM ON CAPITAL PUNISHMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Solicitor General of Canada. Can he tell the House whether he has read the resolution of the Chamber of Commerce of Abitibi requesting that a referendum be held on capital punishment at the time of the next election; and also tell us whether he considers that request reasonable which would allow the Canadian people to express their wishes with regard to that very special matter?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have received a copy of the resolution passed by the Chamber of Commerce of Abitibi on this subject. I can only say to the hon. member that it is not our tradition to have that type of referendum on important subjects. Parliaments are elected to deal with these matters.

SUGGESTED INTRODUCTION OF LEGISLATION ON GUN CONTROL—GOVERNMENT ACTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the increase in the numbers of culpable and non-culpable homocides by the use of firearms, will the Solicitor General now move from his study process and bring forth for examination a bill to restrict certain guns and control others?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I have pointed out to the House on several occasions, we do have a special group within our department studying the present laws in order to make recommendations for reform and amendment. We are also having a meeting in Ottawa on Monday and Tuesday of next week of firearm registrars in order to get their opinions on these matters. While I want to speed up the report on this subject, I think we should recognize that this is a complicated matter and there are no simple solutions or panaceas. I think it is better to wait a few months and do the proper thing rather than do something just for show right away.

Mr. Woolliams: Mr. Speaker, in light of the fact that Mr. Stevens said in the *Globe and Mail* that the minister said the same thing a year ago, does he not think he now has enough data, facts and evidence in reference to culpable and non-culpable homocides to bring forth a bill that is practical, realistic and workable?

Mr. Allmand: Mr. Speaker, I do not know whether the date in that report is correct. I do know we started this study several months ago, and because of certain serious crimes committed recently with guns we have upgraded the status of that particular working group and have established a date for the completion of its report. We hope to have that report by the middle of the summer.

* * *

FINANCE

EFFECT OF INCREASE IN MONEY SUPPLY—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as the Governor of the Bank of Canada appears to be prepared to allow interest rates, including mortgage rates, to rise as a mechanism for enforcing anti-inflationary discipline upon the economy, will the Minister of Finance tell the House whether he agrees with the Governor's position and, in that circumstance, whether he would approve such an increase in the cost of money, bearing in mind the consequences such a policy will have on housing demands and business investment intentions?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Governor of the bank pointed out in his recent address to the Life Underwriters' Association that he contemplated an expansion in the money supply sufficient to accommodate expansion in the economy, but not an amount that would provoke inflation. The hon. member really ought to make up his mind. He has spent a good deal of time during the past few weeks worrying about over-expansion in the money supply. Obviously, if there is to be any discipline of the money supply, interest rates will be affected.

SUGGESTED ASSISTANCE TO SECTORS OF ECONOMY AFFECTED BY HIGH INTEREST RATES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, if the Minister of Finance had made up his mind a little earlier he might have been able to introduce a budget prior to June 23. In any event, if it is decided by the government that higher interest rates are required, does the minister propose to initiate any special assistance to sectors of the economy such as housing, which will be particularly hard hit by a higher interest rate structure?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is dealing with budgetary matters and he will have an opportunity to express his views shortly.

REQUEST FOR ESTIMATE OF CASH DEFICIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, with government cash balances having fallen $1.2 billion since January and, as the minister has indicated, our cash deficits this year will be $3 billion, will the minister indicate if that is still his estimate of our cash deficit, bearing in mind the foreseeable unemployment insurance deficit and

the possible falloff in future tax revenues due to the current recession?

● (1120)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be giving a precise statement on the cash balances of the government on June 23 and the projected cash deficit.

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AGRICULTURE

CRIMINAL CHARGES AGAINST HOWARD BUCHAN, CHIEF OF FIELD OPERATIONS FOR PRAIRIE FARM ASSISTANCE ACT—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture who is in charge of the Prairie Farm Assistance Act administration. According to the press today Howard Ernest Buchan, chief of field operations for the Prairie Farm Assistance Act, is to appear in magistrate's court on a charge of defrauding the federal government. According to an inspector of the Mounted Police the charges relate to the 1974 federal election campaign and favours and pay-offs to PFAA employees with Liberal sympathies. In the absence of the Minister of Justice, who is the minister of elections for the Liberal party in Saskatchewan, I ask the Minister of Agriculture what about this charge; are other charges to be laid and, in particular, because this investigation has been going on since December or perhaps prior thereto was Mr. Buchan suspended pending the result of the preliminary hearing and/or his trial.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know whether Mr. Buchan has been suspended, but in any event his term of office is up either the first or the end of July.

An hon. Member: He is going to the Senate.

Mr. Whelan: I wish to make it plain that I did not hire him. As I said earlier, if there is any wrongdoing let the courts take the proper procedure. I just received this report yesterday. I have not issued any instructions concerning whether he should be suspended. I will be meeting with my officials this afternoon.

Mr. Diefenbaker: I will return to this subject on Monday. The jovial minister is always here and I know he will be around. I notice that at the preliminary hearing the Crown apparently made the request that this charge be set for June 12, the day after the provincial election. Is there any significance in that fact?

Mr. Whelan: Mr. Speaker, this minister certainly would not interfere with the decisions of the courts or the police.

[Mr. Stevens.]

EXTERNAL AFFAIRS

OBJECTION OF ONTARIO TO ATTENDANCE OF REPRESENTATIVES OF PALESTINIAN LIBERATION ORGANIZATION AT CONFERENCE IN TORONTO—GOVERNMENT POSITION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to ask some general policy questions about the Palestinian Liberation Organization and the UN meeting on criminology. In the absence of the Prime Minister and in the absence of the Secretary of State for External Affairs I guess I am stuck with the House leader.

An hon. Member: And we are stuck with you, Al.

Mr. Lawrence: In light of the revelations as long ago as May 9 that the government of Ontario made representations to this government and to the Prime Minister that it would be displeased if the PLO was admitted to the conference in Toronto this summer, I should like to ask the Acting Prime Minister if a reply has yet been given the Premier of Ontario by the Prime Minister. If not, when will it be forthcoming? Will we be advised about this? Is the government still adamant in its stand that any invitation extended by the United Nations automatically will permit any such terrorist group to come to Canada?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not believe that a reply has yet been sent because the government has been looking very carefully at this question. As the hon. gentleman knows, we are host to a UN conference; we do not invite the members. There is a problem, however, with which we are now trying to cope, which is that we do not allow terrorists into this country under our immigration proceedings. This is a very difficult problem which I am sure my hon. friend understands. We have a responsibility as a member of the United Nations to observe the organization's rules. We also have a responsibility not to allow terrorists into this country. It is a very difficult problem and one that I am sure my hon. friend understands and would not want to exploit.

Mr. Lawrence: As usual, the House leader is making assumptions he should not be making.

In view of the apparent contradiction between the prohibited class as outlined in the House the other day by the minister whose responsibility it is to speak on these matters, and in view of what the Acting Prime Minister has now indicated, could he advise the House when the government could undertake to terminate this contradiction, whether there will be a determination of government policy, and if the government, out of courtesy if nothing else, could advise us whether there would be an opportunity for us to discuss the matter when the decision is made and certainly when a reply is given to the Premier of Ontario?

Mr. Sharp: As the hon. gentleman knows, this conference is to be held in September. We have to make our decision soon. I am sure it will be conveyed to the House and the public, if the House is then in session. I do not know whether I can undertake to promise that there would be a discussion in the House. There are many

opportunities to exploit the issue, as the hon. member is doing now.

INQUIRY WHETHER UNITED NATIONS INFORMED CANADA DOES NOT WELCOME REPRESENTATIVES OF TERRORIST GROUPS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question is for the Minister of Manpower and Immigration. Has the United Nations been informed by the minister, by his department or by anybody in the government that, generally speaking, terrorist representatives in Canada are not welcomed and a member of that prohibited class would have to make an application to enter Canada, UN meeting or no?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the information I conveyed to the House the other day was that the PLO has been decreed as being an organization the members of which are prohibited. But there is a provision in the law under which a minister's permit can be issued for a temporary entry for specific purposes where no danger is involved, and that is a judgment that has to be exercised. I am not aware of any specific communication to the UN about this to date, but I am of the mind that the UN may be familiar with those conditions. However, as the Acting Prime Minister has indicated, this is the situation at present, and the policy is being reviewed.

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PUBLIC SERVICE

STRIKE OF NURSES IN YUKON—GOVERNMENT ACTION TO SETTLE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the fact that nurses belonging to the Public Service Union of Canada went on strike at midnight last night in the Yukon, that this strike will likely spread to all parts of Canada within the next week, that these nurses are making extremely reasonable demands in that they are looking for parity with their counterparts in the provinces, and that they have indicated that they would accept either a one year contract or a contract which includes a COLA clause, will the President of the Treasury Board tell the House if he is prepared to instruct his negotiators to make an offer which is more in line with the demands of the nurses and comparable to settlements being made in the provinces?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, this group of public service professionals has had the right to strike for several weeks. There have been isolated strikes across Canada in this regard. The government position is clear. There has been a unanimous conciliation report. The union spokesman, the government representative and the president of the conciliation board have all submitted a unanimous report that was accepted by the government. Naturally, when a union spokesman accepts a report, I would be ill-advised to contravene it.

● (1130)

[*English*]

Mr. Rodriguez: I have just returned from the Yukon, and the nurses I have spoken with are extremely reasonable people, and the community in the Yukon is completely behind the nurses. Is the minister prepared to reconsider his obviously unacceptable decision, which will only result in hardship for the nurses and the patients?

Mr. Chrétien: Everyone in Canada knows that I am a very reasonable man, too.

REPORT OF PUBLIC SERVICE COMMISSION INDICATING VIOLATIONS OF MERIT PRINCIPLE IN APPOINTMENTS—GOVERNMENT ACTION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to direct a question to the President of the Treasury Board, and it has to do with the annual report released by the Public Service Commission. That report indicates that one out of every four appointments in the civil service, and I am quoting from the report, "may constitute an actual or potential violation of the merit principle". In addition to this there are another 2,754 cases cited as failures to carry out the administrative directives issued by the commission. In view of these statements and reports by a reputable commission, is the minister carrying out an investigation to ensure that the integrity of the public service has not been violated, particularly with respect to the merit principle in the hiring and promotion of public servants?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the instructions are specific on the subject. There may have been some cases of violation, as was stated in the report, but they were not voluntary. Directives on the subject are clear and specific. Naturally, the hon. member is entitled to question the chairman of the Public Service Commission if he wishes to obtain further explanations on the subject.

[*English*]

Mr. Baker (Grenville-Carleton): Unfortunately, the chairman of the Public Service Commission is not in the House this afternoon to put questions to, but the President of the Treasury Board is. Would the minister then advise the House what steps were taken or will be taken to rectify this? Has he caused any investigation to be made of this to see whether the merit principle has in fact been violated, to what extent it has been violated and who has suffered as a result of the violation? Is the minister planning any investigation at all, or does he intend just to slough this off on the chairman of the Public Service Commission.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not in charge of the Public Service Commission. The directives concerning the

merit principle are well-established when it comes to hiring federal employees. We do our utmost so that the principle be respected. But the Public Service Commission is a body totally independent of my administration and directly answerable to the House of Commons.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION OF ATMOSPHERE BY FREON GAS—SUGGESTED INVESTIGATION OF UNITED STATES STUDY

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of the Environment. As the minister's department is studying whether the manufacture of aerosol cans should be prohibited in Canada, and as the proposed Anglo-French Concorde jet is to be flown into Canada, will the minister also investigate the United States study which claims that these supersonic jets could also pollute the atmosphere and cause increased skin cancer like the freon gas from aerosol cans?

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, the danger referred to by the hon. member has been signalled. We are not yet certain whether this danger is real. We are just making studies on the use of this gas in spray containers to see whether they change in the atmosphere or not. This summer, in August, the department will make an experiment in the Arctic, because it is the area with the thinnest ozone layer, to measure this gas which can be suspended in the atmosphere. As for Concorde flights, the hon. member knows that Concorde has not yet been cleared to fly above Canadian territory. Therefore, although this problem is important, neither I nor the Department of Transport have promulgated rules about this.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

PROPOSED USE OF SKIFFS BY MARINE PATROL—REQUEST FOR REVERSAL OF DECISION AND NAMES OF THOSE RECOMMENDING CHANGE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Solicitor General. In late March I posed questions in respect of rumours regarding the elimination of the RCMP marine patrol service of Canada. The minister seemed to be unaware of such a retrograde step at that time. Following this, in a letter to me the minister confirmed that the present vessels would be replaced by 20 foot skiffs. In light of the many objections which have been received concerning this matter, would the minister consider having this decision reversed?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as I pointed out to the hon. member in the letter I sent to him, this change was made as a result of a study carried out by the RCMP. The study indicated that better service could be given by smaller boats which were more mobile and which could be supported by aircraft. This was an

administrative decision taken by the RCMP and not a policy decision of mine as minister. In response to the question by the hon. member, I have not received very many complaints. I have received a few, but a very small number.

Mr. Muir: In view of statements by former senior marine personnel that skiffs are simply not the answer to marine police and rescue work in Canada's coastal and great lakes environments, and that the use of skiffs would be like sending a boy out on a man's errand, would the minister investigate and report to the House who the marine and seafaring people are within the force who recommended this move to the government? In view of the fact that the minister said this was to save money, would he not consider the saving of lives to be more important than saving a few dollars?

Mr. Allmand: I do not think the purpose of the change was to save money. It was to bring about a more effective policing system within the RCMP. The larger boats could not be used on inland lakes and waterways, whereas the smaller boats could. They can be transported, so they can be used both on the sea and on inland waters. I might say that these suggestions were made after a long study of the subject by people who are supposed to be experts. I do not have the names, but I will try to find out who they were.

I must point out as well that there are other services within the federal government which provide help at sea, such as the coastguard, the Fisheries Department, and so on. They have vessels which are working in this area as well.

* * *

FINANCE

EXCISE TAX ON PRIVATE AIRCRAFT AND PLEASURE BOATS—REQUEST FOR REPORT ON EFFECTIVENESS IN LIMITING CONSUMPTION OF PETROLEUM PRODUCTS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Finance. With respect to the 10 per cent excise tax on privately owned aircraft and motor driven pleasure boats, which was part of the November budget, will the minister now advise as to what degree this tax has limited oil consumption in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to consult with my colleague the Minister of Energy, Mines and Resources, but I would hope it had some result.

Mr. Fraser: In view of the fact that small boat consumption of petroleum fuel in Canada is less than one half of one per cent of the total Canadian petroleum consumption, can the minister advise whether it is the view of the government that it is necessary and practical to persist with this tax and whether it will result in any significant conservation of Canadian oil? The tax does appear to be illogical and discriminatory.

Mr. Turner (Ottawa-Carleton): Every tax has a certain arbitrary feature to it, as the hon. gentleman knows. In terms of the policy of conservation, the government is

reviewing every method to attempt to conserve petroleum and natural gas resources in this country.

Mr. Fraser: Would the minister, with his other colleagues, please consider the discriminatory effect of this tax on small boat owners and private aircraft owners as opposed to the great many other uses to which the gasoline engine is put in this country, keeping in mind the relatively small amount of fuel consumed in this area?

Mr. Turner (Ottawa-Carleton): This matter, of course, was debated thoroughly in committee of the whole when the bills pursuant to the November budget were before the committee. The hon. member will recall that the scope of the tax was reduced as a result of those committee discussions.

* * *

● (1140)

OLYMPIC GAMES

POSSIBLE MINTING OF COMMEMORATIVE GOLD COINS—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the President of the Treasury Board. As actual net proceeds derived from the sales of Olympic stamps and coins on March 31, 1975, totalled only $22.3 million, far below the projected ultimate $260 million, as only one year is left before the Olympics and as the shortfall is likely to add even more to the already exorbitant deficit Montreal faces, can the minister advise this House if the cabinet has decided to supplement the existing program, perhaps by minting a gold coin piece or by some other ways and means, and will the government be introducing legislation to this effect?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the government is considering the requests of COJO to find procedures to increase revenues. As soon as the decision of the cabinet is taken, we will probably be introducing legislation in the House in the near future.

[*English*]

MINTING OF COMMEMORATIVE GOLD COINS BY HAITI—INQUIRY WHETHER PERMISSION SOUGHT

Mr. Otto Jelinek (High Park-Humber Valley): A supplementary question, Mr. Speaker. As Haiti has minted and is now marketing Olympic gold coins of its own honouring the Montreal Olympics, will the minister advise the House if the government of Haiti approached the government of Canada for permission to mint such coins; was such permission given, and, if not, what assurances can be given that these coins will not find their way to markets where they will compete directly with our own fund raising coin projects?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I do not know whether a request was made to mint foreign coins for the Olympics. Evidently if this affects the positions of COJO, we will take the necessary steps. But to my knowledge, no permission was granted in that connection.

[*English*]

UNEMPLOYMENT INSURANCE

PROJECTION OF BENEFIT PAYMENTS TO END OF 1975—POSSIBLE EXTENSION OF BENEFIT PAYMENTS

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of Manpower and Immigration and has to do with the state of the unemployment insurance fund. Has the minister seen recent forecasts which project to the end of 1975 payments which will be made out of the fund in 1975, and has consideration been given to extending benefits to those workers whose benefits will run out and who therefore will be deprived of UIC pay.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, in another place the other day I indicated possible benefit pay-outs in 1975 at various levels of unemployment and took into consideration the other factors, such as duration of unemployment, duration of benefits, wage rates, and so on. To answer the second part of the hon. member's question, no decision has been taken to extend benefits. In fact, the extension of benefits would require amendments to the act.

POSSIBILITY GOVERNMENT'S CONTRIBUTION TO ACCOUNT WILL EXCEED AMOUNT IN MAIN ESTIMATES—REQUEST FOR ESTIMATE OF AMOUNT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration? Noting that the conference board rather conservatively estimates that the unemployment rate will rise to 7.8 per cent by the end of the year and that benefit payments are already running at a 29 per cent higher rate in the first quarter of this year than in the first quarter of last, I ask if the minister is now prepared to concede that the government's contribution to the unemployment insurance account will have to exceed considerably the $864 million forecast in the main estimates for 1975-76?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated in my reply to a similar question the other day, the hon. member, with respect, does not understand the operation of the fund. The $890 million-odd in the main estimates for 1975-76 represents the amount calculated as being required to repay the advance made in 1974, that is, to repay the government's share of costs for meeting 1974 benefit payments. There will not be any requirement for additional funds for that item in the main estimates.

Mr. Oberle: A supplementary question, Mr. Speaker. Is the minister prepared to give a rough estimate of the previous year's requirements; that is, is he prepared to give a rough estimate of the cash drain on the government during this fiscal year which is resulting from its contributions to the unemployment insurance fund. Obviously, the minister needs the money this year, even though he is to include it in the estimates next year.

Mr. Andras: Mr. Speaker, I indicated the other day in another place when answering questions about various

levels of unemployment and the way these would affect varying levels of benefit payments for the full year, the government costs required to meet those varying levels of payment and these were tabled. I do not have those details before me. They are public knowledge and I should be glad to furnish them to the hon. member on another occasion; or, he could refer to the transcript of the recent meeting of the Standing Committee on Labour, Manpower and Immigration.

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IMMIGRATION

ALLEGATIONS AGAINST GENERAL QUANG—GOVERNMENT ACTION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. Now that the minister has read the security report on General Quang sent to him by the United States, and as the U.S. has evidence which could block any re-entry of Quang into the U.S., is the minister now of the opinion that allegations levelled at Quang in this House are correct and, if so, what steps will the minister take to get rid of him?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have not completed our investigations. Although the hon. member obviously has access to information, I do not think his comment about the existence of evidence, which would prevent U.S. authorities from accepting General Quang, is necessarily correct. The decisions in this matter have not been taken, and I do not accept the premise of that particular aspect of the preamble.

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INDIAN AFFAIRS

ALLEGED LACK OF KNOWLEDGE OF REGIONAL STAFF OF LOCAL GOVERNMENT GUIDELINES AND CONFLICTING STATEMENTS IN GUIDELINES

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. As the regional staff of the Department of Indian Affairs and Northern Development themselves do not know about the contents of the D-1 guidelines on local government how can we expect these guidelines to be enforced on the date on which they are to apply to native peoples across Canada?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I understand that they have been informed about D-1. Other materials have gone out, to elaborate further these guidelines. Quite by chance I was looking at them when the hon. member asked his question.

Mr. Malone: A supplementary question, Mr. Speaker. How can the minister reconcile conflicting statements in D-1 which suggest a higher degree of self-government and, at the same time, the provision of operators' manuals on how native people should run their own affairs, including their own money?

[Mr. Andras.]

Mr. Buchanan: Mr. Speaker, as I indicated previously when dealing with the subject of guidelines, we feel that as substantial amounts of public funds are handled by Indian organizations, it is imperative from their point of view and ours for us to adhere to definite guidelines, procedures and auditing requirements in the disbursement and administration of these funds.

Mr. Malone: That is not the issue, and the minister knows it.

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ENERGY

FUNDY TIDAL POWER PROJECT—COMPLAINTS CONCERNING LACK OF ACTION ON NEW STUDIES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Acting Prime Minister. Have any complaints been directed to the federal government by the government of Nova Scotia or any of the appointees to the Fundy Tidal Power Review Committee regarding the lack of action on the undertaking of new studies which have been agreed on by the governments of Nova Scotia and New Brunswick and the Department of Energy, Mines and Resources?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I shall make inquiries.

Mr. Coates: A supplementary question, Mr. Speaker. Would the minister check some of the public statements which have been made in Nova Scotia by some of the people who have been appointed to the committee I mentioned and determine who is holding up action in this matter, so that we may know more clearly what is happening.

* * *

FINANCE

WINTER CAPITAL WORKS PROGRAM—REQUEST FOR EXTENSION OF COMPLETION DATE FOR PROJECTS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is directed to the Minister of Finance. I believe he received notice of it. In light of recent recommendations made to the minister by various members of this House to extend the May 31 deadline of the winter capital works program for those municipalities whose projects have been delayed for various reasons beyond their control, for example, such as labour disputes or delays in approval by provincial administrative tribunals, is the minister in a position to announce today until when the completions of these specific projects will be extended?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, despite the courtesy of the notice, the answer is, no.

INDUSTRY

WINE DISTILLERS—EFFECT OF PROHIBITION OF USE OF WORD "CHAMPAGNE"—GOVERNMENT ACTION

Mr. Joe Flynn (Kitchener): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. As court decisions will prevent our wine industry from using the word "champagne" on labels of champagne products, will the minister, in conjunction with the Minister of Agriculture and the Minister of Consumer and Corporate Affairs attempt to find some way to alleviate this serious difficulty of which our wine industry is a victim, and which is affecting adversely in particular Niagara area producers and six Ontario wine distillers?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I will be pleased to discuss this matter with my colleagues.

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EXTERNAL AFFAIRS

ALLEGED CANADIAN SOVEREIGNTY OVER SEABED TO EDGE OF CONTINENTAL SHELF—REASON FOR FAILURE TO ASSERT CONTROL OVER AREA

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in the absence of the Secretary of State for External Affairs, may I direct my question to the Minister of State responsible for fisheries. In light of the Prime Minister's interview with George Radwanski of the *Gazette* on May 16, 1975 in which he said, "international law gives us sovereign rights over the seabed out to the edge of the continental shelf", is the minister aware whether in fact this statement is true?

● (1150)

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I am not a lawyer, but I understand that by the 1958 convention that statement is correct.

Mr. Crouse: Mr. Speaker, if it is a correct statement, then why has the Canadian government not begun asserting its control over this area to protect its mineral and marine resources, since it obviously already is sovereign territory?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am not sure of the words "sovereign territory". I will have to check the exact quotation that has been used by the hon. member. My understanding is that the 1958 convention applied only to the natural resources of the seabed. However, as I say, I am not a lawyer and I hesitate to venture into this area.

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NATIONAL PARKS

BANFF—REQUEST NEW HOUSING BE MADE AVAILABLE IN TOWN

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development in his capacity as mayor of Banff. The minister is counting upon the town of Canmore to provide housing for Banff. I wonder whether he has noted the statement of the town of Canmore that new housing will not be available for Banff and the statement of the chairman of the Banff Advisory Council that unless new housing is announced for Banff, there could be demonstrations or other approaches to violence in Banff this summer. In that case, will the minister consider the possibility of making new housing available in Banff in the near term and not delaying it until the filing of the Oberlander report?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, that comment really does not square with the meeting I had with Mayor Klotz of Canmore and his councillors. They indicated they did not want to be purely and simply a bedroom community for Banff, but they were quite interested in participating in the development of visitor service facilities and along with that would go residential accommodation.

Mr. Clark (Rocky Mountain): When the minister checks with his officials and finds out that in fact Canmore has now indicated that no subdivisions and new development will be made available to residents in Banff, will he then seriously consider his refusal to allow new housing in Banff for the short-term and act to relieve the housing pressures in that community in the near future?

Mr. Buchanan: Mr. Speaker, I will be happy to look at the situation. However, we made it quite clear that we do not want to see unrestrained or unrestricted expansion in Banff. The residents of both Banff and Canmore are well aware of our efforts in this area.

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HOUSING

CENTENNIAL PROPERTIES SENIOR CITIZENS PROJECT IN HALIFAX—REASON FOR DELAY—SUGGESTION CMHC NOT ADVANCE FURTHER FUNDS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is for the Minister of State for Urban Affairs. CMHC is financing, under the National Housing Act, the construction of several senior citizen housing projects in Halifax. I might add that there is a great need for such accommodation in Halifax as there are over 800 applications now on file. One of the buildings presently under construction is a project of Centennial Properties, a firm which our party has had cause to bring to the minister's attention on previous occasions for reasons of its questionable practices. My question is this: will the minister look into the Centennial Properties project and find out what problems are holding up completion of the building which was to have been finished a year ago this spring?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I thank the hon. member for bringing the situation to my attention. I will certainly look into it and be in touch with him.

Mr. Gilbert: I understand that the subcontractors on the Centennial Properties project have not been paid since

December and that further funds were not to be advanced by CMHC until the next stage of construction is completed. Will the minister assure the House that payments to Centennial Properties will not be speeded up until the minister has ascertained that the company is capable of completing the project and providing the desperately needed senior citizen units?

Mr. Danson: As I indicated earlier, Mr. Speaker, I will look into it thoroughly. I will not make any commitment until I know what the situation is. I want to see projects completed for senior citizens, especially in Halifax.

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INDUSTRY

SAUNDERS AIRCRAFT—POSSIBLE REPRESENTATIONS BY HAWKER SIDDELEY OR MANITOBA—GOVERNMENT INTENTIONS WITH REGARD TO FINANCIAL ASSISTANCE

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Can the minister advise whether the Hawker Siddeley aircraft corporation or the province of Manitoba has made representation either to the minister or his department with reference to Saunders of Gimli, Manitoba?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, to my knowledge there have been no representations by Hawker Siddeley on behalf of or with respect to Saunders Aircraft. I have had discussions with the province of Manitoba with regard to the difficulties of the Saunders Aircraft Company.

Mr. Whiteway: In view of the problems of Saunders up to this point, and the fact the financing was done almost exclusively by the province of Manitoba, is the minister now in a position to indicate the type of financing or aid he has in mind for Saunders and whether it will be in the same proportion as that given to eastern companies such as de Havilland?

Mr. Gillespie: Mr. Speaker, we have had discussions with regard to Export Development Corporation financing and with regard to PAIT grants for any industrial applications. To date there have been two problems. One is that the advance in industrial technology has not met the terms of the program for the advancement of industrial technology. The other is that the firm has been unable to sell its aircraft outside the country in order to take advantage of Export Development Corporation financing.

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BROADCASTING

DATE OF ANNOUNCEMENT OF ALLOCATION OF CHANNEL TEN IN VANCOUVER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Communications. Since the hearings of the Canadian Radio and Television Commission on the allocation of channel ten in Vancouver are now completed and because of the long delay in announcing the abortive results of channel ten hearings the last time they were held, can the minister advise when the allocation of this channel will be announced?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I cannot give any specific date. It is a thorny problem, as mentioned by the hon. member. A first hearing did not result in the issuance of a broadcasting permit. Unfortunately, the date of a decision remains the secret of the CRTC. However, I could inquire whether the CRTC is now ready to promise a decision for a specific date.

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[*English*]

PUBLISHING

REQUEST FOR ACTION TO ENSURE UNITED STATES EDITION OF GUINESS BOOK OF RECORDS NOT SOLD IN CANADA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I assure him it concerns a very important principle in Canadian publishing. In view of the recent speech by his colleague, the Secretary of State, in West Virginia to United States publishers when he stated that the Canadian government is prepared to intervene and scrutinize carefully any impending new foreign presence in Canadian book publishing, what action is the minister taking to ensure that the United States publisher Sterling will not be permitted to sell the American edition of the Guiness Book of Records in Canada, protected by a monopoly, thus taking away 50,000 annual sales of this book by a Canadian publisher, Mel Hurtig of Edmonton, who depends on this book for 20 per cent of his business and who is about to receive an award as Canadian publisher of the year?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, unfortunately I have no power under the Foreign Investment Review Act to deal with a commercial transaction of this nature. I fully appreciate the problem the hon. member has mentioned. I deplore the transfer but, as I have said, I have no power under the Foreign Investment Review Act to intervene.

ROUTINE PROCEEDINGS

[*Translation*]

FISHERIES AND FORESTRY

Third and fourth reports of Standing Committee on Fisheries and Forestry, in both official languages—Mr. Béchard.

[*Editor's Note: For texts of above reports, see today's Votes and Proceedings.*]

[*English*]

PRIVILEGES AND IMMUNITIES (INTERNATIONAL ORGANIZATIONS) ACT

PROVISION OF PRIVILEGES AND IMMUNITIES TO EUROPEAN COMMUNITIES' OFFICIALS IN CANADA

Hon. Mitchell Sharp (for the Secretary of State for External Affairs) moved the first reading of Bill S-25 (from the Senate), to amend the Privileges and Immunities (International Organizations) Act.

Motion agreed to and bill read the first time.

* * *

● (1200)

NATIONAL CAPITAL

ESTABLISHMENT OF JOINT COMMITTEE TO STUDY DEVELOPMENT OF NATIONAL CAPITAL REGION AND OPERATIONS OF COMMISSION

On the order:

That a special joint committee of the Senate and House of Commons be appointed to review and report upon matters bearing upon the development of the national capital region, including the programs and operations of the National Capital Commission;

That 15 members of the House of Commons to be designated by the House at a later date be the members on the part of this House of the special joint committee;

That the said committee have the power to send for persons, papers and records and examine witnesses; to sit during sittings and adjournments of the House; to report from time to time; to print such papers and evidence from day to day as may be deemed advisable; to delegate to sub-committees all or any of their powers except the power to report directly to the House; and to adjourn from place to place within Canada; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed special joint committee.

Mr. Speaker: Pursuant to section 2 of Standing Order 21, this notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the House.

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[*Translation*]

CRIMINAL CODE

PETITION ON ABORTION PROVISIONS—TABLING OF NINTH REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid on the table the ninth report of the Clerk of Petitions.

[*English*]

The Clerk of the House announced that the above mentioned report meets the requirements of the Standing Orders as to form.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I request, under Standing Order 67(8), that the petition presented by the Committee of One Million be now read by the Clerk, and because the subject is a

grievance requiring an immediate remedy I ask that the matter be brought into immediate debate. Notwithstanding Your Honour's previous ruling under Standing Order 43 that abortion, while important, is of continuing rather than immediate concern, I respectfully suggest that the spcial circumstances of this petition enjoin members to give it their immediate attention so that we can urge upon the government a speedy and urgent remedy.

Never before has parliament received a petition containing one million names, and these one million Canadians will be affronted by this institution if the petition is relegated to the musty shelves of our basement, all the more so because abortions, which have quadrupled over a four-year period to 43,201, are now recognized as constituting a grave social problem.

I remind Your Honour that the groups making up the Committee of One Million have previously presented briefs to the government urging that section 251 of the Criminal Code be amended to tighten the law so that hospital abortion committees would be empowered to permit abortions only in cases where the medical need is indisputable. The government has not acted, and abortions continue to escalate. The Committee of One Million has therefore appealed to parliament to redress this grievance. Members of this institution are also ombudsmen and we must be permitted to debate vital national questions irrespective of the government's willingness or unwillingness to present these matters to us. Nor is this a partisan matter, as the formation of the Interparliamentary Group in Defence of the Unborn, composed of members from all parties, clearly shows.

Yesterday, the willingness of the House to take on this exceptionally important subject was evident. I ask, and will so move if acceptable, that we now debate the petition of the Commmittee of One Million.

Mr. Speaker: Order. The hon. member has put into question the idea that we should consider an immediate debate on the petition which was put forward yesterday. The motion is that the petition be now read by the Clerk of the House and, further, that it be brought into immediate debate.

The hon. member has referred to a previous ruling of the Chair. I would remind him of that ruling; I do not propose to quote it. It was based on an explicit ruling of the Hon. Lucien Lamoureux whose tenor left no doubt about the principle, and nothing which has happened in the interval persuade me otherwise. The principle of the operation of a representative government, as this parliament is, is that the representatives are elected to bring here the views of their constituents and it is through them, in debate in the House and by representations to the government, that amendments to the law ought to be proposed, discussed, debated and finalized if it is the will of the House.

Nevertheless, there are exceptional provisions with respect to petitions once they have been received and certified as to form. The purpose of those petitions is to redress a personal grievance. The hon. member is first of all asking that the petition be read. He is aware that yesterday the petition was read by the hon. member for York South (Mrs. Appolloni) when she put the petition forward. The fact of the matter is that the statement

which was read as a preamble to the petition yesterday was somewhat different from that which is attached to the petition today. This, of course, was done in order to make it acceptable as to form. The portion which is now attached to the petition does not in any way state the case as strongly as was stated in the reading of the preamble by the hon. member for York South yesterday. In other words, it seems to me that one of the remedies the hon. member is seeking today is less effective than was already granted yesterday.

In the second place, the rule under which the hon. member was proposing to have this petition read and then brought into debate is Standing Order 67(8) which reads as follows:

No debate shall be permitted on the report but a petition referred to therein may be read by the Clerk of the House at the table if required—

Certainly, under the circumstances it does not seem to be required. The Standing Order continues:

—or if it complain of some present personal grievance requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

Clearly, a representation that an existing law which has been under consideration by the House in various ways and which, on the undertaking of the Minister of Justice (Mr. Lang), will be looked in to by a committee and is to be the subject of further consideration, is a matter of general concern and can in no way be interpreted as a matter of personal consideration.

For all three of these reasons: first, that the petition has already been read; second, that it is not a personal grievance but, rather, a matter of general concern to all members; and, finally, that recommendations and suggestions for the amendment of legislation ought, surely, to be carried on by members who, obviously, have been influenced by the petition itself, I cannot accede to the hon. member's request. There is nothing the matter with a petition of this magnitude influencing members to take action in the House, but I still maintain, based on earlier precedents, that it is the members of this House who should make representations respecting changes in the law, and not outsiders by way of petitions.

Some hon. Members: Hear, hear!

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Charles Turner (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, the following questions will be answered today: Nos. 2,097, 2,144, 2,161, 2,166, 2,338, 2,355, 2,390 and 2,418.

If question No. 1,275 could be made an order for return the return would be tabled immediately.

I ask that the remaining questions be allowed to stand.

[Mr. Speaker.]

[*Text*]

ARBITRATION BOARDS SERVING REGIONAL OFFICES

Question No. 2,097—Mr. Laprise:

1. What are the names and dates of appointment of members of the arbitration boards serving the regional offices (a) Quebec City (b) Lévis (c) Trois-Rivières (d) Sherbrooke (e) Drummondville?

2. For each such office, how many (a) cases were (i) heard (ii) settled in favour of the recipient (b) days did the hearing last?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1.

(a) Quebec City	Chairmen	Date of Appointment
	Fortin, Jacques	February 1, 1973
	Lavigne, Georges A.	March 16, 1967
	Lessard, Gil	August 18, 1972
	Employers	
	Bradet, J. Ovide	March 8, 1973
	Delisle, Paul	September 25, 1961
	Dupéré, Guy	April 6, 1967
	Dutil, Paul	December 11, 1973
	Fréchette, Louis	October 30, 1962
	Racine, Guy	December, 11, 1973
	Savard, P. A.	January 24, 1963
	Turgeon, Denis	September 1972
	Insured Persons	
	Dorval, Arthur	March 10, 1967
	Girard, Claude	March 10, 1967
	Lebreux, Benjamin	September 19, 1962
	Marcotte, Jean-Paul	September 21, 1948
	Pelletier, L. G.	March 5, 1964
	Poulin, Jude	October 9, 1959
	Richard, Jean-Marie	August 11, 1965
	Vézina, Pierre-Henri	January 1975
(b) Lévis	Chairmen	
	Brulotte, Robert	December 20, 1974
	Gonthier, Gilles	September 12, 1974
	Employers	
	Lévesque, Vital	January 2, 1974
	Moquin, Claude	January 24, 1975
	Insured Persons	
	Lemay, Marc-André	January 1974
	Roy, Monique (Miss)	December 1974
(c) Trois-Rivières	Chairmen	
	Lacoursière, Gilles	November 1, 1973
	Pellerin, Gabriel	March 1, 1973
	Employers	
	Barbeau, J. O. R.	September 13, 1972
	Groleau, Gaston	September 13, 1972
	Lafontaine, Pierre	March 13, 1975
	Lemieux, Roland	November 22, 1961

	Insured Persons	
	Biron, Lionel	April 12, 1973
	Caron, Joseph	April 14, 1971
	Emond, Pierre	March 2, 1973
	Lemire, Roger	October 7, 1963
(d) Sherbrooke	Chairmen	
	Archambault, J. H.	March 1, 1973
	Dallaire, Claude	March 1, 1973
	Proteau, Denis	March 23, 1972
	Roger, Roger	January 16, 1975
	Employers	
	Bordua, Georges-Emile	September 18, 1973
	Gourdeau, Denis	February 19, 1970
	Lettre, Marc	December 11, 1973
	Libotte, Louis	October 2, 1968
	Trudeau, Gilles	July 12, 1973
	Insured Persons	
	Boisvert, Florent	January 20, 1969
	Boychuck, William	May 24, 1973
	McManus, Gerald	January 8, 1965
	Rouillard, Richard	June 1970
	Tardif, Roland	May 24, 1973
(e) Drummondville	Chairmen	
	Bernier, Marcel	July 25, 1974
	Rousseau, Paul	July 25, 1974
	Employers	
	Cournoyer, Lucien	January 2, 1974
	Croteau, Majella	January 2, 1974
	Forcier, Gaston	July 9, 1974
	Insured Persons	
	Dubuc, Paul	January 1974
	Marcheterre, Ghislain	January 1974
	Riverin, Pierre	February 10, 1975

2.

	Cases heard	Settled in favour of the claimant	Duration of hearings, in days
(a) Quebec City	857	109	79
(b) Lévis	132	16	13
(c) Trois-Rivières	317	42	45
(d) Sherbrooke	552	119	56
(e) Drummondville	210	42	34

POST OFFICE DEPARTMENT—DEFICIT

Question No. 2,144—Mr. Herbert:

1. What was the amount of the deficit in the Post Office Department for each of the past ten years?

2. What is the estimated deficit for the year (a) 1974-75 (b) 1975-76?

3. Do the figures include estimated salary increases and, if so, what amount is included for increases in salaries not including the costs of additional personnel?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1.

1.

	Millions of Dollars
1964–65	10.9
1965–66	30.7
1966–67	47.7
1967–68	67.2
1968–69	90.3
1969–70	55.9
1970–71	100.4
1971–72	77.0
1972–73	90.9
1973–74	177.2

2.

	Millions of Dollars
(a) 1974–75	255.6
(b) 1975–76	370.9

3. Provisions are included in the Estimates on the basis of the following instructions from Treasury Board for salary increases not covered by signed agreements: 1974-75: Rate of 5 per cent per annum, 1975-76: Rate of 7 per cent per annum. Those salary increase provisions are: 1974-75: $12,970,751, 1975-76: $41,731,241.

BILINGUALISM—ROYAL MILITARY COLLEGE

Question No. 2,161—Mr. Cossitt:

1. On what date was the decision made that the Royal Military College, Kingston, Ontario, is to become a bilingual institution (a) was this decision made by Cabinet (b) what are the names and job designations of all persons recommending or taking part in arriving at such decisions (c) what are the reasons for the government not following the recommendation of the Royal Commission on Bilingualism and Biculturalism that RMC should remain an English language institution?

2. (a) What is the full nature of the entire estimated or budgeted cost of making RMC bilingual (b) a description and cost of all new capital construction (c) the number of additions to the staff and total salaries involved?

Hon. James Richardson (Minister of National Defence): 1. September 14, 1972. (a) No, it was made by the Treasury Board. (b) The Defence Management Committee composed of senior officials of the department made the recommendation to the Minister of National Defence who approved it and submitted it to the Treasury Board. (c) The decision to introduce the programme of instruction in both official languages at RMC was taken to meet a requirement for training of future professional officers in keeping with the government policy on bilingualism.

2. (a), (b), (c). The estimated cost of the program to make RMC institutionally bilingual is as follows: (1) Capital construction to improve teaching facilities for the whole college and to provide the additional classroom, laboratory and office space necessitated by the requirement to provide academic programmes in both languages—$5,990,300. (2) Up to 84 additional civilian staff members and some 23 military personnel will be employed gradually over the next three years, as the program is implemented. The salaries of such personnel, once the

program is fully implemented would be about $1,517,000 per annum.

CANADIAN UNION OF POSTAL WORKERS

Question No. 2,166—**Mr. Herbert:**

1. Has the Postmaster General been made aware that witnesses for the Canadian Union of Postal Workers, when appearing before the Special Joint Committee of the Senate and of the House of Commons on Employer-Employee Relations in the Public Service, stated that the objective of the convention mandate to go for a Crown corporation was because of a preference for the Canada Labour Code rather than the Public Service Staff Relations Board?

2. Has the Post Office Department considered granting to Post Office workers the same contract negotiation privileges enjoyed by employees of Crown corporations?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): 1. Yes.

2. The Postmaster General has stated to Postal Unions that the Department is prepared to negotiate the effects of technological change on the workers. However, labour relations in the Post Office are subject to the Public Service Staff Relations Act, whereas most Crown Corporations are subject to the Canada Labour Code.

OLYMPIC GAMES—PLANS

Question No. 2,338—**Mr. Schumacher:**

Are any plans being made, or have they been made, for the provision of military (a) personnel to assist in any way with the Olympic Games in Montreal in 1976 and, if so (i) how many persons will assist (ii) what are the ranks of each group (iii) what type of services will be performed (iv) what costs are involved in each case (b) equipment and, if so (i) what equipment (ii) what is the purpose of the provision (iii) what costs are involved in each case?

Hon. James Richardson (Minister of National Defence): (a) and (b). Plans are presently under study to provide support to the Olympic Games. In accordance with present planning approximately 5,500 personnel will be involved with security in support of the RCMP; approximately 2,600 personnel will work in direct support of COJO and an additional 2,500 personnel will provide command and control and administrative as well as logistic assistance for the forces involved. No special equipment is being procured for the support role to the Olympic Games. However, the normal replacement procurement of some equipment used by the forces has been accelerated.

POST OFFICE DEPARTMENT—ISSUANCE OF COLOURED PLASTIC BAGS

Question No. 2,355—**Mr. Dinsdale:**

Is the Post Office Department issuing colourful plastic bags free to customers and, if so (a) for what reason (b) how many have been printed (c) what is the cost per unit (d) what was the total cost (e) who received the order (f) are they being distributed across Canada or are they restricted to specific areas?

Mr. Raynald Guay (Parliamentary Secretary to Postmaster General): The Post Office has made these bags available to customers. (a) To package sheets of stamps and other philatelic material to enable the customer to carry items home without damage. (b) Initial Printing was 100,000—November 1974. (c) Cost per unit was $60.60 per thousand. (d) Total cost was $6,060. (e) Flexopack Mfg. Ltd., Montreal. (f) Bags were distributed across Canada as a stock Postal Stores item for distribution to Philatelic Outlets.

[Mr. Richardson.]

CANADA COUNCIL SUBSIDIES TO "PARTI PRIS"

Question No. 2,390—**Mr. Laprise:**

Since 1968, what amount has the *Parti pris* publishing firm received from the Canada Council in annual subsidies?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: The Canada Council's program of annual block grants to Canadian publishers began in 1972. The Parti Pris publishing firm has received $36,000 under this program. Since 1968, a total amount of $40,885 has been awarded to Parti Pris by the Canada Council. This includes grants for the publishing of individual works as well as the above mentioned block grants.

NATIONAL DEFENCE BASE CLOSURES

Question No. 2,418—**Mr. Lawrence:**

1. Have any National Defence establishments in Canada been closed or had their staff, either Armed Forces or civilian employees, reduced during the fiscal year 1974-75 or the current fiscal year and, if so (a) what are their names and locations (b) in each case, what was the effect of the reduction or closure on the (i) Armed Forces staff (ii) civilian employees (c) to date, has alternative employment been offered to any of the civilian personnel (d) for each establishment, what is the anticipated saving to the Department as a result of such closure or staff reduction?

2. Does the Department plan to close or reduce the staff of other bases during the current fiscal year and, if so (a) what are their names and locations (b) how many (i) Armed Forces personnel (ii) civilian employees will be affected (c) will the civilian employees be offered alternative employment (d) what is the anticipated saving to the Department as a result of such closures or reductions?

3. Does the Department have long-range plans for closing down other defence establishments and, if so (a) what are their names and locations (b) what are the anticipated dates for their closure?

Hon. James Richardson (Minister of National Defence): 1. (a) The following Department of National Defence establishments were closed or commenced phase-out during 1974/75. Data concerning closures or reductions for 1975/76 are given in Part 2 of this question. Patricia Bay, B.C. (Part of CFB Esquimalt)—Transferred to MOT September 1, 1974; Canadian Forces Station Armstrong, Ont.—Closed September 30, 1974; Canadian Forces Station Foymount, Ont.—Closed September 30, 1974; Canadian Forces Station Ramore, Ont.—Closed September 30, 1974; Canadian Forces Ammunition Depot Renous, N.B.—Commenced phase-out terminating September 1, 1978. (b) (i) Armed Forces personnel were posted for employment with other Canadian Forces units. (ii) Positions at other locations of the Department were offered to qualified civilian personnel. For those who did not wish to relocate, or did not have the necessary qualifications, every effort was made in conjunction with the Public Service Commission and Manpower centres to find suitable alternative employment. Moving expenses were paid by the department for those who accepted employment at other locations. (c) Yes. (d) Estimated savings as a result of closure for 1974/75 is as follows: Patricia Bay $ .673 M; CFS Arm-

strong $1.27; CFS Foymount $1.06 M; CFS Ramore $1.1 M; CFAD Renous $ .325 M (Similar annual savings are anticipated until final closure in 1978).

2. (a) The following stations will be transferred or closed in 1975/76. Canadian Forces Station Val d'Or, Québec—To be transferred to MOT March 31, 76. Canadian Forces Station Moosonee, Ont.—To be closed August 1, 1975. (b) (i) and (ii).

Base	Number of Military Personnel Affected	Number of Civilian Personnel Affected
CFS Val d'Or	335	80
CFS Moosonee	135	59

(c) Yes. (d) CFS Val d'Or $3.55 M; CFS Moosonee $1.82 M.

3. (a) and (b). There are no current approved plans for further base closures or reductions. However, it is department policy to continually review the requirements for all Canadian Forces establishments and installations in conjunction with allotted roles and functions.

* * *

QUESTION PASSED AS ORDER FOR RETURN

ADMITTANCE OF FOREIGN DOCTORS TO CANADA

Question No. 1,275—**Mr. Korchinski:**

1. In each of the past five years (a) how many foreign doctors were admitted to Canada (b) from which countries did they emigrate (c) in which provinces did they set up practice?

2. In each of the past five years in each province (a) how many doctors were practising (b) what was the average population per doctor?

3. In the past five years (a) how many graduate doctors were in Canada (b) how many doctors emigrated from Canada and to which countries did they immigrate?

Return tabled.

GOVERNMENT ORDERS

[*Translation*]

OCEAN DUMPING CONTROL ACT

MEASURE TO PROVIDE FOR CONTROL OF DUMPING SUBSTANCES INTO THE OCEAN AND TO ESTABLISH A BOARD OF REVIEW

Hon. Jeanne Sauvé (Minister of the Environment) moved that Bill C-37, to provide for the control of dumping of wastes and other substances into the ocean, as reported with amendments by the Standing Committee on Fisheries and Forestry, be concurred in.

(Motion agreed to.)

[*English*]

Mr. Speaker: When shall the bill be read the third time?

Some hon. Members: Now, by leave.

Mrs. Sauvé moved that the bill be read the third time and do pass.

Mr. Joe Clark (Rocky Mountain): Madam Speaker, in rising to speak on third reading of this important bill I wish to make the point to the House of Commons and to the public of Canada that we are dealing here, on third reading, with a much better bill than we started with—

Some hon. Members: Hear, hear!

● (1210)

Mr. Clark (Rocky Mountain): —because in this case the House of Commons has been able to do part of the job that it was convened to do and introduce some amendments that were accepted by the government and which improved in committee the bill sent to the committee by the House of Commons. My colleagues and I regret that many of the very progressive and important reforms which were proposed in committee were not accepted by the government. This is a matter to which I will return later in my remarks.

I begin by reviewing for the House the contents of Bill C-37 which in effect will ratify, on behalf of Canada, an international convention that will try to bring some control over dumping of substances at sea as well as some protection to the oceans and shorelines not only of Canada but of other countries of the world. Unfortunately, the bill as introduced, and to a large extent the bill as it emerged from committee—due to the intransigence of members on the government side—still allows a very substantial and dangerous discretion to lie in the hands of the minister, particularly with regard to the issuing of permits to people who might want to be exempted from the provisions of this bill.

In effect, those permits could be regarded, as my colleague from Fraser Valley West (Mr. Wenman) indicated earlier, as permits to pollute. They are permits that allow a shipping company to be exempted, at the discretion of the minister, from prohibitions against the dumping of dangerous substances at sea. So the minister has this substantial power to issue a permit to a shipper which, in effect, could become a permit to pollute. There is, in my view and in the view of my colleagues, inadequate protection against the way the minister can exercise that very broad discretion.

There has been established a board of review which will allow a partial appeal from decisions made by the minister. Unfortunately, this right of appeal is open in a mandatory way only to the polluter; the people who are the victims of the pollution must rely upon the ever-present discretion of the minister to have the right to bring their objections to the board of review.

In the extensive committee hearings that were held, we sought some safeguards and were successful in achieving some safeguards. But I say frankly that we did not achieve all of the safeguards that we should have. There are still some serious weaknesses in the bill. However, it is a very important bill, a bill that will enable Canada to advance the development of the law of the sea and the process of building up respect for international law.

The bill could have been much stronger if, first of all, the government had used the opportunity that the bill presented to meet Canadian dumping problems which are not met or addressed by the international convention. I think particularly of the matter raised by my colleague the hon. member for Prince George-Peace River (Mr. Oberle) in regard to the very serious problem of small coastal communities on both coasts of Canada that make a practice of dumping by barge and who will be affected by the provisions of the bill.

We were given verbal assurances that this question was in hand, that there had been discussions between the federal and provincial authorities in regard thereto; but it is clear that the government should have brought some action into play that would bring relief to these communities, some guarantee that they would not be victimized by this law, and so that the provincial governments concerned could have acted to help protect those communities. That is one instance where the bill could have been improved. Another is with regard to making more stringent the regulations regarding Canadian ships operating in Canadian waters. These would augment the provisions that are already part of the international convention.

Another way the bill could have been made much stronger would have been for the government to accept amendments regarding public participation and the public's right of appeal. It is not only the polluters and the bureaucrats who have an interest in environmental questions, Mr. Speaker; this is a matter that is of vital concern to all Canadians, particularly the growing number of Canadians who are anxious to preserve the environment of Canada. Yet the public has been virtually shut out of this legislation, as unfortunately it has been shut out of too much legislation emanating from the Department of the Environment.

As I say, several improvements to the bill were made in the committee, and I think the work done in committee is a demonstration of the good work that committees can do if they are given the time. I want to make particular reference to the excellent contributions in the committee debate made by my colleagues from South Shore (Mr. Crouse), Esquimalt-Saanich (Mr. Munro), Kootenay West (Mr. Brisco), Fraser Valley West, Carleton-Charlotte (Mr. McCain), Prince George-Peace River, and St. John's West (Mr. Carter). I think that all of us who sat in the committee will agree that the procedures we have just come through revealed three major difficulties with the committee system, and I want to deal with them briefly at this point.

The first difficulty was that at the outset there was an indication that the government expected the committee stage to be a rubber stamp stage; that it would be short and would yield no changes. After the bill was reported from the standing committee, the parliamentary secretary declared, as he had before, that the standing committee did the job that it was supposed to do and that it took the time it needed to improve the bill. As I say, the government expected the committee to be a rubber stamp; to have a short debate, with no changes emerging. Instead, the committee was active, but it was active against the wishes of the government, at least in my view.

The second problem—I say this frankly because it also applies to other bills—was that in the debate around the table there were often traces of excessive partisanship. I admit quite frankly that this was the case on both sides. I confess to the House that one of our proposed amendments was not sufficiently thought through and it probably deserved the rejection it received. But I suspect that many other reforms were defeated simply because it was the opposition that proposed them. They were not defeated on their merits but because of their sponsorship. The government was not prepared to consider a good idea because of the source of the idea.

Mr. Malone: So what's new?

Mr. Clark (Rocky Mountain): This has very serious consequences. My colleague from Battle River (Mr. Malone) asks, "What's new?" The point is that we have this kind of thing happening in committee after committee. The government rejects too many good proposals coming from other parts of the House simply because they do come from other parts of the House. Unfortunately, members of the government party abide too slavishly by the wishes of the minister and her officials and subjugate their role as members of parliament to that of supporters of the government.

The third major problem revealed in our consideration of the bill was lack of research staff available to committee and the problems that this can cause when committees are dealing, as ours was, with complex questions of law and international practice. The officials of the department specifically declined my invitation that they assist the opposition in preparing amendments. I understand their declining that invitation, but I would made the point that the minister could have made their expertise available. Instead, we relied on the official opposition research office which, while abundant in talent, is limited in time and was busy with other bills. We relied on such help as we could borrow from interested environmental lawyers. It is a clear deficiency of the system, in dealing with complex matters of this kind, when the official opposition and other critics, including private members on the government side, do not have the access which they should have to the expertise that allows for careful consideration and improvement of government legislation.

In view of these faults that I have mentioned, as well as others that are known to members of the House and which have become clearly evident to members of other committees, I suggest we are not dealing with a satisfactory system in relation to our committees. I notice the presence in the chamber of the President of the Privy Council (Mr. Sharp) who is one of those responsible for putting together a package on parliamentary reform. I hope that this is one aspect of our present system in parliament that will be reviewed in any serious attempt that is made at parliamentary reform.

● (1220)

[*Translation*]

Mr. Speaker, as I mentioned, this bill is better than when it was introduced. However, it contains several major weaknesses. We have sought to correct some of the more obvious shortcomings in committee. However, gov-

ernment members rejected the amendments that could have protected the interests of the public while at the same time giving to those people who are concerned about environmental problems the same rights that this bill gives to those who cause those problems.

We tried unsuccessfully to make sure that large shipowners who cause damages to marine coasts could not escape the resulting legal responsibility simply because the minister granted them a permit. We tried other reforms that I will mention in a while and we think that those changes should be included in the bill. Of course, with the approval of this bill by the committee, we asked ourselves quite seriously whether we should reintroduce the amendments at this stage. However, we knew this course would result in two things. First, the government majority which defeated those reforms in committee would repudiate those measures in this House also. Second, if the government thought there would be a long debate about the amendments, it would have withheld this bill. In order to avoid this delay by the government, we decided not to reintroduce the reforms that the government rejected in committee.

We took that decision because it is important that Canada be one of those countries which will sign the international convention on ocean dumping. It is not only a matter of prestige. The first 15 countries which ratified that convention have the right to set up certain guidelines about the international law and its interpretation as well as its application.

It is important that Canada be allowed to take part in the drafting of these guidelines, because other countries might not be as exacting toward polluters as we could be. If the bill had but national implications, we would study it more closely to reinforce it, but in view of its international import, we are willing to support it today in the hope that its passage will strengthen the international law against dumping.

[*English*]

The government itself introduced several amendments at the committee stage. Some of those amendments were simply technical, designed to clear up mistakes in drafting or to clear up meanings. Once again I point out to the House that this indicates the very real importance of the committee stage, because even governments, I would remind the House, make mistakes. In this case the government had made some mistakes which it was prepared to clear up in the committee. Other government amendments accepted suggestions that were put forward either during the debate on second reading or at the committee stage by members of the official opposition.

One very important amendment introduced by the government, and one very important way that this bill is stronger than its predecessor, can be found in the fact that it is now clear that the minister who will manage this bill is the Minister of the Environment (Mrs. Sauvé) and not some other minister. This was a proposal I made, as well as colleagues of mine, at second reading. We are delighted it has been accepted by the government and we believe it is an important improvement.

Another very real improvement which was introduced by my colleague the hon. member for Kootenay West was to extend to wild animals the protection and consideration the bill would extend only to domestic animals. It may well be that in most constituencies in the country elk, deer and other wild animals do not have the vote, but there is at least concern shown for their welfare initiated by that hon. member and, I am pleased to say, adopted by the government.

Finally, there was an agreement to establish some limit, an inadequate limit but a limit at least, of a year in the life of the permits—which, as I said earlier, could be considered permits to pollute—that can be issued by the government. When the bill was first introduced, as it was read literally the minister had the power to issue a permit to pollute that could last as long as Methuselah. This has been limited now to a year as a result of pressures brought on by the official opposition in the committee.

In addition, amendments introduced directedly by members of this party made other important changes. One of those was to place the onus on the minister to appoint qualified persons as analysts and inspectors. As the language first read, the minister had the discretion to appoint anyone she might choose—anyone who might drift in off the sea—to be an analyst or an inspector. At the insistence of the hon. member for Esquimalt-Saanich and some members on the government side, an agreement was reached that there should be something written into the statute as to the necessity that these analysts and inspectors be qualified. That improvement has the effect, in my view, of making the minister liable for a mistake and it allows some recourse for people who are the victims of pollution when a mistake is made as a result of an incompetent analyst or inspector having been appointed by the minister.

Again, a slight improvement was made when the government accepted an amendment from this side that required the minister to advise parliament formally, via regular reports, of actions taken under the act on permits granted. The government also accepted the mandatory requirement that the permit shall state terms regarding the effect upon human and marine life and the conditions upon which the permit is issued.

A more important amendment, in my view, proposed by the official opposition and accepted by the government was the one to ensure the impartiality of the board of review established to handle appeals. Unfortunately, these are appeals only from polluters because the public has no statutory right of appeal under this government. The board of review as established in the original bill could have been a board controlled by the minister; it could have been a board appointed from within her own department, and thus subject to her direction and control. It was improved, we believe, in that the board is to be an independent board. We achieved that independence by proposing the amendment, which the government accepted, to the effect that the chairman shall not be a public servant. The chairman of this board by definition will not be someone who is subject to direction by the minister or any minister of the Crown.

Again, the government accepted a proposal by the official opposition that would increase the maximum fine for the offence of failure to report emergency dumping. This increases the maximum fine to be paid by such as Christina Onassis from a paltry $25,000 to at least $75,000. This

brings that maximum into balance with other maximums in the legislation. I make the point that this is a maximum fine. We argued, with success, that the maximum should be higher than it was.

Clearly, many of these amendments introduced directly by the official opposition, or introduced because our criticism inspired them, are important. It is clear that together they improve the bill. However, several other important amendments were lost. They were lost sometimes for technical reasons, because of a technicality, and sometimes because government members simply voted against reform. One series of amendments which were introduced, and which were automatically out of order because they would have involved expenditures that had not been contemplated on second reading, would have substantially increased the ability of the public to keep track of ocean dumping problems.

● (1230)

They would have done that in two important ways. First, they would have created a registry in which would be listed the names of those people whom we could call the environmental public, those people particularly interested in questions related to the environment. They would require that people whose names were listed there would receive notice of the action taken by the minister under this act. That was one reform which, for technical reasons, was ruled out.

The second recommendation was that notice be published in newspapers of general circulation in areas where dumping may occur, instead of in the musty tomes—"tombs" might be the proper word—of the *Canada Gazette*, a publication which few members of parliament and no one in his right mind reads with any regularity. Unfortunately, that is the only medium now in which the minister is required to publish notice of some of her decisions. We proposed that the general public, as well as the eccentric public which reads the *Canada Gazette*, be included in the ambit of notice. As I say, those amendments were ruled out of order for reasons which I do not dispute.

However, the point I make is that the minister at this stage had the opportunity to adopt those amendments as her own and to bring them forward here. They would have received immediate approval on this side of the House and I am sure by my colleagues in the New Democratic Party and the Social Credit party. They would have received immediate approval if the minister had committed herself to the principle of public participation and adopted those amendments as her own and brought them in.

Mr. Béchard: Why did you not move amendments?

Mr. Clark (Rocky Mountain): My colleague, the chairman of the committee, asks why I did not move amendments. I tried to explain that during the French portion of my speech. I apologize to him if my French is so difficult to understand in Bonaventure that he did not follow what I said. The reason we did not introduce any amendments was this: we knew that if we did introduce amendments and raised the prospect of a long debate, the government would not give this bill the priority it requires and would not have brought it forward. We wanted the bill brought forward because it is important for international law. That is the reason we did not press those amendments.

We also knew that the same Liberal majority which obediently voted down reform in the committee would have obediently voted down reform in the House of Commons. We did not want to take the time of the House in delaying the development of international law for that purpose. I hope that answers my friend, the chairman of the committee.

A small step was made regarding information to the public. In the original bill the minister was required to report to an international agency. I make the point, and underline the anomaly and the irony, that in the first bill that international body had more right to information than the Canadian parliament or the Canadian public. The minister agreed to present to Parliament those reports which she will give the international body. We will get that information a little late, but now at least we in Canada in parliament and the public of Canada will be on an equal footing with this new international agency. It is a small step but it is a step.

My only regret is that the minister was not prepared to go further. I regret that she was not prepared to introduce simple provisions, which would not cost much money but would establish the principle of the public's right to participate in environmental matters, by ensuring that there is general notice of actions being taken regarding dumping, instead of those actions being filed away in the obscurity of the *Canada Gazette*.

Now I want to review some of the amendments that were lost and some of the problems we addressed which go unaddressed in the bill before us. Early in the discussion in the committee it became evident that the bill would cause problems for small coastal communities, as I mentioned earlier, some of which dump by barge. The minister assured us that the matter would be looked into, but her supporters—particularly incredibly, her supporters from British Columbia—voted against an amendment which would guarantee some protection for those small communities by requiring the agreement of the provinces. That amendment, introduced by my colleague the hon. member for South Shore (Mr. Crouse), incredibly was voted against by Liberal members of parliament from both coasts.

I wish to refer to another amendment that was lost, and a weakness which persists in the bill. The bill provides that when a permit to pollute is granted, varied or changed, there must be notice in that well-read publication, the *Canada Gazette*. However, not even the *Canada Gazette* gets to learn when a permit is suspended or revoked. It is suspended or revoked in secret. There is no requirement for notice. It is a matter which no one has been able to explain satisfactorily. The law requires a birth notice in the *Canada Gazette* but refuses to require an obituary notice in the *Canada Gazettee*.

It is clear that the public of Canada is as interested in the end of a permit as it is in the issuance of a permit. We sought a reform which would require the government to tell Canadians, even if only in the *Canada Gazette*, when a permit is suspended or revoked. That amendment, however, was defeated and that information shall remain

secret unless the minister in her discretion, or the company, choose to make it public.

There is another very serious deficiency in this bill as it stands which we sought, unsuccessfully, to repair. The present bill creates a double standard regarding the right to appeal decisions by the minister. Some big company which holds a permit or seeks a permit has a statutory right to appeal the granting, suspension or revocation of a permit. That is the law for the big guy. But the citizen or the community which might be affected by dumping has no statutory right of appeal. The public has to ask the minister, "Please, may we appeal?" The minister, of course, has the right to say no.

However, companies such as those of Christina Onassis and other big shippers have a stronger right than the public of Canada. They have the right to tell the minister they will appeal. There is a statutory appeal for the dumper. There is only a discretionary appeal for the dumpee. That is a double standard and unfairness which should not have been allowed to remain on the statute books of Canada. We sought to end that double standard, but the government members protected the privilege of the potential polluters and left the public at the minister's discretion.

There is another serious weakness which we tried to repair in this bill. Once an appeal board has been established, the bill gives all "interested" persons a right to appear. The problem, Mr. Speaker—you are not a lawyer, as I am not—I am advised by legal advisers, is that the word "interested", in law has a specific meaning suggesting a pecuniary or proprietary interest. We tried to broaden that adjective to "concerned" in order to allow a larger segment of the public to take part in any hearings that could be called. That attempt to involve more Canadians rather than a narrow group was rejected by Liberal members.

Again, another problem in the bill which we sought to address, without success, is that the bill says that any action against any dumper—a person who dumps, such as Christina Onassis or any other big shipper—must be brought before the courts of law within two years of the dumping. There is a two year time limit. Some environmental effects simply cannot be foreseen in two years. Some of them take much longer to become evident.

We tried an amendment which would write in a period of ten years instead of two years, in an effort to cover some of the unforeseen and unforeseeable environmental consequences of dumping. That attempt to protect the public of Canada was also defeated. Therefore a coastal community of Canadians concerned about the environment can do nothing in law about a company which dumps, so long as it takes longer than two years for the effects of that dumping to become known.

This bill, in the opinion of a departmental legal officer, may very well create a situation where the fact that a permit has been issued protects the polluter from civil remedies. Mr. J. C. Carton, the director of departmental legal services for the Department of the Environment, as recorded at page 27:46 of the committee proceedings said:

—there is jurisprudence on both sides of the fence. I certainly could not come down on one side or the other with any degree of assurance whatever.

● (1240)

The legal officer said there was no assurance. We introduced an amendment that would build-in that assurance, that certainty that a permit would not protect a polluter from civil action. However, incredibly, it was defeated because a sufficient number of members of the Liberal Party voted against it. I should say that some members of the Liberal Party supported that very progressive measure, but enough objected to it for it to be defeated.

Mr. Béchard: Is it possible for members of the Progressive Conservative Party to be progressive?

Mr. Clark (Rocky Mountain): May I say to my hon. friend who asked me if it is possible for the Progressive Conservatives to be progressive, that anyone who has watched events unfold in Caada particularly in the years since 1968 knows that a more appropriate question would be whether it is possible for a Liberal in Canada to be liberal.

Some hon. Members: Hear, hear!

Mr. Clark (Rocky Mountain): My colleague makes the point that so many of the reforms in Canada have been not simply progressive but Progressive Conservative initiatives.

Finally, we tried in the committee to have the reports which the minister makes to the international body, and which she has now at least agreed to table in parliament, referred to the standing committee. If that had happened, it would have allowed a reliable and extensive parliamentary review of what the minister was doing and how she was exercising her substantial powers of discretion. That procedure of course has implications for other committees. It gives committees rights of their own in the House of Commons and does not make them simply obedient creatures of the government. The reform, however, was just too revolutionary for the government; it wants to keep committees as dependent as possible upon references from the government. So that was lost also.

The bill before us, as amended and certainly as introduced, reveals serious weaknesses in the approach of the Department of the Environment, particularly regarding the highly important question of the right of the public of Canada to participate in environmental decisions. I have spoken about some of the amendments that we proposed in order to advertise decisions. I want to draw the attention of members of the House to the record of committee debates and in particular the contribution made by the Parliamentary Secretary to the Minister of the Environment (Mr. Marchand). When we were talking about introducing reforms which would inform the public of Canada, the parliamentary secretary said, "They are picayune, small points all the time". That is on the record at page 27:22 of the committee's proceedings.

We in the party disagree that public participation in environmental questions is a small or picayune point. We believe it is the essence and at the centre of the rights of the Canadian public in environmental matters, and we reject out of hand the suggestion of the parliamentary secretary that the right to public participation is a small matter.

Mr. Marchand (Kamloops-Cariboo): How about the amendment that was rejected by your own party?

Mr. Clark (Rocky Mountain): The parliamentary secretary is trying to explain the inexplicable in trying to defend his actions. He knows that the record shows that his references were specifically to the proposal to involve the public in these decisions He called the rights of the public small, picayune points, and that is what we reject. Unfortunately, there has been an almost contemptuous attitude toward the rights of the public regarding environmental matters, not simply in this bill but in others.

Let me review the evidence of that contempt in this bill. First of all, there is a double standard regarding appeals. The big guy is given the statutory right to appeal, but the same right is denied to the public. This is a law that is clearly biased in favour of the big guys, of the polluters, and against the rights of the individual citizens and concerned groups. Second, there is an excessively wide ministerial discretion, a discretion that has been slightly limited, but only slightly so, in the amendments that we were able to bring through in committee.

Third, there is an incomprehensible satisfaction with the *Canada Gazette* as a medium of mass communication and the refusal to publish important public matters in publications which the public reads. Finally, there is the failure to introduce broader provisions regarding advertising or to create the registry which we proposed and which the minister could have introduced at this stage, at no cost and with no opposition, but which she chose not to do.

Unfortunately, this contemptuous attitude toward parliament and the public goes beyond this bill. For example, in the environmental impact assessment procedure there is a fundamental and excessive ministerial discretion which stands in dramatic contrast to the statutory rights of the public which exist, for example, in the United States. In the procedure there is virtually no right to public participation unless the minister chooses to let the public in. That is clearly an antiquated and unsatisfactory situation.

Again, in the Berger inquiry the Minister of the Environment has refused to intervene. She has given a right, which I must say appears to be a very limited right, to her officials to participate. It is unclear at this moment whether she will give those officials time off to participate. She nods that she will. It is also unclear whether she will pay their travel expenses and make funds available to them to go there. She nods that she will, and I am delighted to know that. It is also unclear whether they will go there not simply as witnesses but as resource people subject to questioning by other officials. She says they does. Excuse me for my lapse into incomprehensible grammar, but I am so overwhelmed—

Mr. Knowles (Winnipeg North Centre): *Hansard* will straighten it out.

Mr. Clark (Rocky Mountain): I am so overwhelmed—

Mrs. Sauvé: By the generosity of the minister.

Mr. Clark (Rocky Mountain): —by the generosity of the minister. It is significant that she regards it as generosity rather than as her duty to make her officials available for public scrutiny. Because I was overwhelmed I lost track of my syntax.

Mr. Knowles (Winnipeg North Centre): Don't suggest a "sin tax." The Minister of Finance (Mr. Turner) might put it in his forthcoming budget.

Mr. Clark (Rocky Mountain): While I might have expected opposition to a "sin tax" from other members of the House, having it come from the hon. member for Winnipeg North Centre (Mr. Knowles) is almost overwhelming. Bill C-37, which has been substantially improved in committee, is highly important for international law and for the development of better protection of our coast lines from pollution. It could also have been important as a sign that the Department of the Environment has changed its attitude and wants the public to be actively involved in issues concerning the environment which are, I submit, the most public of all issues because in the final analysis the fate of our environment affects each one of us more than any other matter which comes regularly before the House of Commons.

I had hoped that the bill would be used as a demonstration that the minister was prepared to encourage the public to participate in environmental questions. Instead, it has been used to demonstrate the opposite. We have a double standard regarding appeals. We have no willingness to advertise in publications generally read by the public, and no statutory right to review decisions. The bill is highly important for purposes of international law. It will allow the government to take place in the elaboration of the terms of administration in the details of the international convention, and that we applaud.

We think it is a very important bill for purposes of international law. We have done what we can to make it a better bill. If it were simply a domestic matter, we would have debated it at much greater length and introduced many more amendments. But it is a bill which we are very pleased to support as an improved bill on third reading.

Mrs. Sauvé: Mr. Speaker, I rise on a point of order. I do not want to prolong the debate, but let me just say that I am very happy the hon. member for Rocky Mountain (Mr. Clark) claims paternity to all these amendments. As he knows, in matters of parenthood it is only the identity of the mother that is beyond doubt.

Some hon. Members: Hear, hear!

● (1250)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker—

An hon. Member: How are you going to follow that one, Stanley? What do you do for an encore?

An hon. Member: You have a tough act to follow.

Mr. Knowles (Winnipeg North Centre): I am glad that one does not have to explain remarks made just prior to getting to one's feet. In spite of its shortcomings, we welcome Bill C-37, to be known as the Ocean Dumping Control Act. We are pleased that it will soon be on the statute books. I realize that when I say "soon", I am

assuming that the other House will not take very long to deal with it.

The bill is important to us in Canada because of the urgency of protecting the wholesome sea which is at our gates, if I may use the words which are carved over the entrance to this building. It is also important to us because of our international obligations.

It is not my intention to speak for more than a moment or two at this third reading stage. The bill received a good going over at second reading and in the standing committee, and I join the hon. member for Rocky Mountain (Mr. Clark) in welcoming the improvements which were made in the standing committee, whatever the parentage of those improvements might be.

We note that the minister, instead of being just some undisclosed person, is to be the Minister of the Environment. We note, also, that a number of definitions have been sharpened. We welcome the fact that in the case of one very serious breach of this law the potential penalty has been increased substantially. I am aware of the weaknesses and shortcomings which have been referred to by the previous speaker and it is our hope that in the not too distant future these shortcomings will be corrected.

Mankind is pioneering in the whole area of trying to do something about our environment. Perhaps prehistoric man tried in his way, but he did not face the problems and critical situations which confront us today. It is, therefore, good that we are getting started with legislation which will at least enable governments to do something about protecting the various elements of our environment. Accordingly, we welcome this legislation and we call on the minister and the government to use it to the full to protect our oceans.

Motion agreed to and bill read the third time and passed.

* * *

BRITISH NORTH AMERICA ACTS, 1867 TO 1965

AMENDMENTS RESPECTING SENATE REPRESENTATION FOR YUKON AND NORTHWEST TERRITORIES

The House proceeded to the consideration of Bill C-3, to amend the British North America Acts, 1867 to 1965, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Hon. Mitchell Sharp (President of the Privy Council) moved:

Motion No. 1.

That Bill C-3, an act to amend the British North America Acts, 1867 to 1965, be amended by striking out clause 3 thereof and substituting the following therefor:

> "3. This Act may be cited as the British North America Act, (No. 2) 1975, and shall be included among the Acts that may be cited as the British North America Acts, 1867 to 1975."

Mr. Deputy Speaker: Is it agreed that we call it one o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock p.m.

At 12.56 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: The motion was put before lunch. Is the House ready for the question?

Some hon. Members: Question.

Motion No. 1 (Mr. Sharp) agreed to.

Mr. Knowles (Winnipeg North Centre): That motion corrected a typographical error.

Mr. Deputy Speaker: The House will now proceed to the consideration of motion No. 2 standing in the name of the President of the Privy Council (Mr. Sharp).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order, it seems to me that as the change proposed by motion No. 2 does not involve the spending of money, any member of the House can second the motion. I may argue the opposite on another stage that may come in a moment.

Mr. Woolliams: We do not need a minister to second the motion. The House can agree on a seconder by unanimous consent.

Mr. Deputy Speaker: Is there unanimous consent for the hon. member's proposal?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Mr. Sharp, seconded by Mr. Marceau, moves:

That Bill C-3, an act to amend the British North America Acts, 1867 to 1965, be amended by striking out the long title thereof and substituting the following therefor:

> An Act to amend the British North America Acts, 1867 to 1975.

Motion No. 2 (Mr. Sharp) agreed to.

Mr. Deputy Speaker: Mr. Sharp, seconded by Mr. Chrétien, moves that Bill C-3, to amend the British North America Acts, 1867 to 1965, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Should the motion not read as it has been amended, "to amend the British North America Acts, 1867 to 1975?"

Mr. Woolliams: What a great observation.

Mr. Knowles (Winnipeg North Centre): I believe the amendment is necessary.

Mr. Deputy Speaker: Order, please. This material, of course, was prepared in advance without prejudging what

would happen in the House. I will make the necessary correction.

Mr. Sharp, seconded by Mr. Chrétien, moves that Bill C-3, to amend the British North America Acts, 1867 to 1975, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time?

An hon. Member: By leave, now.

Mr. Deputy Speaker: Mr. Sharp, seconded by Mr. Chrétien, moves that Bill C-3, to amend the British North America Acts, 1867 to 1975, be now read the third time and do pass. Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. A moment ago I suggested that a report stage amendment could be seconded by a private member, but Your Honour has now named a seconder who is not in the House.

Mr. Deputy Speaker: I had not noticed that the President of the Treasury Board (Mr. Chrétien) had left the House. I will rectify the matter.

Mr. Sharp, seconded by Madam Sauvé, moves that Bill C-3, to amend the British North America Acts, 1867 to 1975, be now read the third time and do pass. Is it the pleasure of the House to adopt the said motion?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, having made some simple corrections to this bill, having corrected one or two typographical errors, and so on, we have reached the final stage of debate.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Judging from the applause, this bill has a fairly good chance of passing. As everyone knows, the bill will merely add two more bodies to the other place.

Mr. Woolliams: Great!

Mr. Knowles (Winnipeg North Centre): My hon. friend for Calgary North (Mr. Woolliams) says "Great!" He may represent Calgary North, but that is not far enough north to entitle him to one of these additional Senate seats.

Mr. Lefebvre: Stranger things have happened, Stanley. People have moved. Canadians are mobile.

Mr. Knowles (Winnipeg North Centre): This bill will add to the other place a senator from the Yukon and a senator from the Northwest Territories. As I have said a number of times previously, we think this is a waste of time. We think that it is insulting northern Canadians to suggest that these new appointments will somehow bring them into the mainstream of Canadian life. This bill will merely add two more Liberals to the other place. In recent years, particularly in recent months, the other place has become merely the campaign headquarters for the Liberal Party of Canada. I oppose this bill.

Mr. Boulanger: Mr. Speaker, I rise on a point of order. I wonder if the hon. member will permit a question. How can the hon. member be so sure that Liberals will be named to those two positions? What proof has the hon. member? Can he prove his assertion?

An hon. Member: Are you a prophet or the son of a prophet?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I cannot prove it—I am neither a prophet nor the son of a prophet—and to that extent I am stymied. However, judging from experience I say that within a short time two more Liberals will be appointed to the other place. It will be said that both represent our north. Perhaps the appointees already know about their prospective appointments. The salaries they will receive will be much greater than the salaries which applied when this bill was first put on the order paper. They will be Liberals, don't worry.

Mr. Boulanger: Mr. Speaker, on a further point or order, as we say in French—

[*Translation*]

You are striking a blow at your great experience in the House when you say that I am only guessing—

Mr. Deputy Speaker: Order, please. Although the hon. member for Mercier (Mr. Boulanger) sits far from the Chair, he should address his remarks to his hon. colleague of the opposition through the Chair.

Mr. Boulanger: Mr. Speaker, I have asked the hon. member for Winnipeg North Centre (Mr. Knowles) whether, by guessing like this, he is not afraid of losing his great personal value and his great experience in the House which are universally conceded. Moreover, I wonder if his reputation as a great man will not suffer from such risky guessing.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am prepared to admit that it is just a guess, but I suggest it is an awfully good one.

● (1410)

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I just want to say a few words with regard to this bill. Although I do not come from the territories, I think this bill advances a very important principle. The principle is that all the people of Canada, whether they reside in the provinces or the territories, have a right to be represented in all of the federal representative bodies in this parliament.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): That is the simple principle of this bill. I know that the hon. member for Winnipeg North Centre (Mr. Knowles) has certain feelings about the other place, which he has expressed. There are some who share those views in some respects, at least in so far as the members of the other place are concerned.

However, that does not mean that the institution, properly manned, does not have a place within the Canadian context.

Every time I hear the hon. member for Winnipeg North Centre attacking the Senate, I feel it is like one institution of parliament attacking another. Before we attack the Senate we should remember the purpose for which it was established in Canada. It was established for the purpose of ensuring representation in a different way to minority area groups which find themselves in the minority in terms of number in relation to other groups in Canada. If that is part of the purpose for the establishment of the Senate, then as much as I may condemn the government from time to time for some things they do, I think they are doing the proper thing in terms of the territories of this country.

A lot could be said about appointments to the Senate and those who are appointed. An argument could be made for at least broader consultation in terms of appointments to the Senate. These consultations might range among provincial premiers even though the premiers may be of different political cloth. It is not unreasonable to say that if the Senate is to be representative of the regions in Canada, it ought to be representative as well of certain of the political differences in Canada.

The quarrel I have with the Senate is not with the institution or the place of the institution in the scheme of things, but the way in which the institution has been used. I have said before in this House that I believe it is important that the Senate not be taken away or weakened, but that it be strengthened. Through the quality of its appointments, the representative aspect of its appointments and the geographical representation, the Senate should be given a new infusion of life with the appointment of youth. The youth need not only be in terms of chronological age; I am talking more in a sense of equality of mind, people who have an ability to express themselves, who have an investigative turn of mind and are prepared to devote a certain amount of their time to the service of their country. I think it important that we consider this bill in that light.

It is not a universal failing that every Liberal appointed to the Senate is necessarily a bad appointment; there have been some fine appointments from the other party. I hope there will be recognition of the need to strengthen the Senate on all sides and in terms of the political spectrum. It could not only become a livelier place but a much more vital place in terms of Canadian political content. We should consider this and urge the government to make the Senate a stronger institution of parliament, an institution to which the hon. member for Winnipeg North Centre might some day like to go because of the vitality and strength of the place.

Mr. Deputy Speaker: I believe the hon. member for Winnipeg North Centre (Mr. Knowles) is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. My point of order is that I thought the hon. member for Grenville-Carleton (Mr. Baker) was my friend.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I would disabuse the hon. member for Winnipeg North Centre if I thought he was suggesting I was anything else. I have said before in this House that he is not only a friend but a neighbour. It is generally known in Canada that there was at one time a political union of a sort between the NDP and the Liberal Party. I point to the twenty-ninth parliament. There is at least a mechanical union between the NDP and the Conservative Party, because the hon. member for Winnipeg North Centre and I have a quarter interest in the same snowblower. Sometimes when he says things about the situation in the Senate, and other matters, I am tempted not to send my children across the street to push his car out on a snowy morning, but my friendship has always caused me to relent. That does in fact happen; the hon. member knows it, and our friendship is deep.

I said that in jest, but I think it is important that the Senate be a place that is aspired to for the right reasons, because it is an important institution in the body politic of Canada. It is in that spirit that I rise in the debate to urge the House, particularly the Prime Minister's colleagues, to consider the importance of this institution in the parliamentary process.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I spoke at some length on second reading of this bill. I do not want to repeat what I said then or to delay the passage of this bill. I wish to point out to our friend, however, the hon. member for Winnipeg North Centre (Mr. Knowles), that if he finds he has leisure time over the weekend he might read some of the debates in the other place. While two or three times a year he amuses this place by making a motion that the other place be abolished he may be surprised to know that similar motions are being made in the other place to abolish this House. The arguments there are as persuasive as his. There are some interesting speeches made at those times.

I want to add some thoughts as to the possible commposition of the Senate by comparing it to a similar body, another federal institution which I had the opportunity to examine very carefully during the past couple of weeks. I refer to the federal Republic of Germany whose federal constitution is an amalgam of things British, things French, things American and things German. I wonder how some people in this House can feel that our House of Commons with a temporary majority, should have the say right away and that it should be final; in other words, the people are said to have spoken.

● (1420)

Should the Senate in our parliament be named by the provincial administrations bearing in mind the differing political blends? Under the German constitution, where there is a small senate of 45, the landers or the provinces name a limited number of ministers, and usually the premier or the state president of the lander, to the body. All legislation is submitted to the lander before it is presented to the equivalent of the House of Commons in an informal way to get their view on it. Certain amendments might then be suggested or decisions made, or it might not again see the light of day, depending on the attitude of the bundesrat. It then goes to the bundeshaus

where it is debated and amended. Subsequently it is returned for final approval to the house of elders, the bundesrat.

Mr. Woolliams: The wise men.

Mr. Lambert (Edmonton West): Remembering that they are the ones appointed by the provinces, it would be interesting to see that kind of framework in operation here. We could see a bill like the Competition Act, for example, or the National Petroleum Act submitted to the Senate first for general comment and, perhaps, suggested amendment. Then it would be brought back into this House, considered, passed and returned to the Senate, that body having the full power to amend it or defeat it, though being of a different political complexion.

It would make the temporary majority which sometimes blithely sits in this chamber think twice or maybe three times before going forward with certain items of legislation. But it would have the effect, in a federal constitution where there are differing responsibilities, of making possible a more equitable discharge of those responsibilities. At the moment we are seeing here a series of acts going forward—the Competition Act is one of them—in connection with which the federal government simply moves into what is clearly provincial jurisdiction under some spurious ground of need for order and good government and says, "We shall fill the lacunae, and if the provinces do not measure up, we shall jack them up." Mr. Speaker, this is a usurpation of power by a bureaucracy, a form of centralized bureaucratic thinking to which this administration and others before it have become captive. It is posing a grave danger to our constitution and to our national unity.

I can assure you, Mr. Speaker, and I am warning members of this House, that the malaise which exists in certain parts of the country is growing. Do not think the malaise has died in the province of Quebec. It has certainly increased in the western provinces and it may yet appear in the Atlantic provinces. This is in part attributable to the actions, the philosophy and the centralized thinking of the Government of Canada intent on the usurpation of power. It may be a gradual process, but one notices the nature and type of legislation brought forward in the last two or three years and it becomes apparent that the pace of this usurpation of power has been stepped up a notch or two. I say that Canadians as a whole must step back, watch and re-examine their position.

I hope the government will choose the best men or women it can to represent the Yukon and the Northwest Territories in the other place, and that we shall see the beginning of a change in the nature of the appointments. As my hon. friend from Grenville-Carleton (Mr. Baker) said, there are some eminently suitable public figures who have been appointed to the Senate and who discharge their duties as well as any member of this House. A number of them have the advantage of experience in this place.

It must always be remembered that the world was not discovered yesterday, that everything was not invented yesterday and that mankind was not born yesterday. There are a good many lessons from the past which can be applied to the present and the future. The work that comes out of the Senate depends entirely on the initiative of the government. Their Honours have done excellent work in examining bills. The competition legislation is one example. Even before they received the bill they carried out an examination of the subject matter. Their report is an excellent one. I do not wish to sound patronizing when I say that many of the committees in the other place put our committees to shame in terms of the assiduity with which the work is pursued, the depth of study and the value of the contributions made.

In conclusion, may I say I entirely support the bill before us. I hope the appropriate appointments are made and that the vacancies which now exist are filled so that we may join with our colleagues in the Senate and make a far better job of considering legislation, watching government programs and discharging our responsibility to the people.

Mr. Ian Watson (Laprairie): Mr. Speaker, I spoke against this bill on second reading and I wish to reiterate briefly my opposition to it now. There is one feature of the bill which is obviously welcome—the fact that northerners will have additional voices here in Ottawa. No one can complain about that aspect. Nevertheless, I am opposed to the bill in principle. The government and its predecessors have on a number of occasions promised Senate reform and it is inopportune, to say the least, that we should be moving to add new members to that body before we have carried out the fundamental reforms which successive governments have promised.

I feel there is another side to the argument. It is entirely possible that the constitutional evolution of the territories may differ from the evolution which historically accompanied the development of the other provinces. A different approach might well be needed although, conceivably, no matter what kind of evolutionary path they may follow, representation in a reformed Senate might still be necessary.

● (1430)

In the present circumstances, the government should not be moving to add to this body. Let me reiterate. We all agree that the Senate is non-representative and non-elective. As long as it remains that way it is completely out of date. We should be moving to reform the Senate before we add to its members.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I should like to associate myself with the comments made on this bill, but I feel at this time that something more should be said concerning the people who will be going to the Senate itself. It seems to me that my words would probably not be quite appropriate, but I might abridge the words of the great Lebanese Kahlil Gibran, who thinks of the Senate as "To be a garden without walls, a vineyard without a guardian, a treasure house for ever open to passers-by". If we think of the manner in which the senators, having completed their years, look down upon us, then they might feel, as Kahlil Gibran said:

To be robbed, cheated, deceived, ay, misled and trapped and then mocked, yet with it all to look down from the height of your large self and smile, knowing that there is a spring that will come to your garden to dance in your leaves, and an autumn to ripen your grapes; knowing

that if but one of your windows is open to the East, you shall never be empty; knowing that all those deemed wrongdoers and robbers, cheaters and deceivers are your brothers in need, and that you are perchance all of these in the eyes of the blessed inhabitants of that City Invisible, above this city.

And now, to you also whose hands fashion—

And we say this to the people of the North.

—To be is to be a weaver with seeing fingers, a builder mindful of light and space; to be a ploughman and feel that you are hiding a treasure with every seed you sow; to be a fisherman and a hunter with a pity for the fish and for the beast, yet a still greater pity for the hunger and need of man.

I say that to each of these people who would come to us from the north. Kahlil goes on:

And, above all, I say this: I would have you each and every one partners to the purpose of every man, for only so shall you hope to obtain your own good purpose.

This is why they must be with us. This is why they must be part of our institution, whether they be as elected members of this chamber or of the Senate. As Kahlil said:

My comrades and my beloved, be bold and not meek; be spacious and not confined; and until my final hour and yours be indeed your greater self.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I do not want to waste much more time on a bill that is already taking up a lot of time in the House, a bill that I do not think is of that much importance to the people of the Northwest Territories or the Yukon. We did not ask for the bill, and I have become a little suspicious of being given something—at least it appears we are being given something—for which we have not asked, about which we have not been consulted and which we do not want.

We have now reached the point on a Friday afternoon where we seem to be getting some kind of poetry being tossed into the debate. But I should like to make an important point. When discussing this bill previously, I mentioned in the House that if the government had discussed the matter in detail with northerners and had talked to the people in the Northwest Territories and the Yukon, the government would have come up with a practical solution to what the government seems to regard as a problem, that we have in the other place no senators from the territories.

For about the same amount of money or less, a practical solution would have been to have an ombudsman represent both the Yukon and Northwest Territories. This would be more practical than the present bill. This would lead to a situation that would be non-partisan, where the individual concerned would be answerable to the House of Commons and would be able to represent well the people of both territories. That would have been a far more welcome proposal to the people of the north than what is in this bill.

I just wanted to make that comment again, and I hope that in future the government will take my words into serious consideration. I shall not waste any more time of the House on this matter.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Mr. Knowles (Winnipeg North Centre): Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

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

Motion agreed to and bill read the third time and passed.

* * *

NORTHERN CANADA POWER COMMISSION ACT

AMENDMENTS TO CONSTITUTION AND POWERS OF COMMISSION

Hon. Mitchell Sharp (for the Minister of Indian Affairs and Northern Development) moved the second reading of and concurrence in an amendment made by the Senate to Bill C-13, to amend the Northern Canada Power Commission Act.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this amendment is a procedural one. The act contains a lot of amendments fleshing out, shall I say, the existence of what had been a very small body, the Northern Canada Power Commission, which has now been given much greater strength and frankly has become a monopoly in the north. Many of us in this House have regretted this development. I have had a good deal of contact with the utilities that developed from very humble beginnings and struggled to develop resources in order to meet the needs of the people both in the Yukon and Northwest Territories. Then along comes this colossus, this big, ravenous animal known as the Government of Canada and gobbles up a development that so many people have worked so hard to achieve over the years.

I do not think the people of the north are going to get any better performance as a result of the creation of this power commission, which frankly is going to be permitted completely to dominate the scene in regard to the provision of electric light and power to both the territories. Having said that, the Senate have taken steps to remedy something that I suppose was forgotten along the way which deals with the timing of meetings held by members of the commission. The meetings must not be held unless one clear day's notice has been given to each member of the commission at his place of residence. If that same principle were applied to many other government statutes, there would need to be many other changes. The centralized kind of thinking we have in Ottawa has always been that notice shall be deemed to have been received and the

period for appeal will expire within ten days after having made an order or having issued a notice in Ottawa. In light of the postal service which it is Canada's disgrace to have at the present time, it is very chancy that one could get notice within the appropriate time to consider a government or court order and instruct a solicitor or take the necessary action.

● (1440)

There is one thing I want to point out in this bill that is ironic in that we are going to discuss the Judges Act later when dealing with salaries. This bill increases the number of commissioners from five to seven and provides for the payment of expenses, including travelling and living costs incurred by the commissioners in the performance of their duties under the act. I am wondering whether certain individuals in this House or engaged in the media, particularly the more hysterical ones, will take these expenses and add them to the salaries or honoraria of the commissioners and say that shall be their remuneration for the year.

Mr. Sharp: That is only for members of parliament.

Mr. Lambert (Edmonton West): As the President of the Privy Council (Mr. Sharp) suggests, this is a unique privilege reserved for members of parliament whose expenses are added to their salaries and the total deemed to be their revenue for the year. It does not happen in respect of public servants, editors of newspapers, publishers or radio station disc jockeys, many of whom earn a great deal more than members of parliament. I hope when we see the reports in respect of the salaries of the commissioners of the Northern Canada Power Commission in the public accounts, they will include their travelling expenses and all those things chargeable to their accounts.

As to the amendment put forward by the Senate, of course it is acceptable and it is a good thing that it has been brought forward.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should also like to say a few words about Bill C-13, to amend the Northern Canada Power Commission. I understand it has been around for a long time. As a matter of fact, it has been in the planning stage, and so on, for a number of years.

Mr. Lambert (Edmonton West): It is known as the Sir John A. Macdonald bill.

Mr. Firth: It was considered for a long time in committee, where we heard from a number of witnesses from both territories. I think the amendment to this bill is a very small but perhaps important one. The bill did receive approval of the House before, and I suppose it should now pass. However, I do want to make a couple of comments because of some criticism by the council in the city of Yellowknife. I hope the government will take into consideration these points at this time when the bill has almost passed the House.

The first point relates to the request by northerners regarding the Northern Canada Power Commission, that it establish its headquarters in the north. I hope that the commission will eventually be answerable to the councils of the Yukon and the Northwest Territories. It has been recommended that there be two power commissions, one for the Yukon territory and one for the Northwest Territories, with an operational headquarters in the north.

The other important recommendation is that the commission should have the sole right to generate and distribute electricity for the benefit of northerners, at the cheapest rate possible. The commission should seriously consider bringing power to small businesses and homes as cheaply as possible, with the larger companies such as those in the mining industry paying the full rate.

Several other points have been made. I hope the government will seriously consider moving toward implementing the wishes of the people of the north. I do not think I need say more on this bill, but I do hope the government will look again at the very important suggestions made by representatives of both territories regarding the splitting of the commission in two, with headquarters in the north.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to, amendment read the second time and concurred in.

* * *

JUDGES ACT AND CERTAIN ACTS RELATED TO THE SUPREME COURTS OF NEWFOUNDLAND AND PRINCE EDWARD ISLAND

AMENDMENTS TO PROVIDE FOR INCREASED SALARIES AND ADDITIONAL JUDGES

The House proceeded to the consideration of Bill C-47, to amend the Judges Act and certain other acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order having to do with some of the details of these proposed motions. They would appear to have been drafted by someone who had before him at the time only a copy of Bill C-47 as it was passed at second reading and sent to the committee. The committee made several amendments and ordered a reprinting. We now have the reprinted form and that is what is before us.

I would draw your attention, Mr. Speaker, in particular to the (b) part of motion No. 1 where it says "by striking out line 1." That ought to be "line 3". In part (k), where it says "Eighteen judges of the Dis-", that should just be "Eighteen judges of the". In motion No. 2, where it says "by striking out line 12 on page 24", it should read "by striking out line 11 on page 24".

The same changes need to be made in the new recommendations from the Governor General, and there are one

or two other corrections that should be made in the French version of these motions. It seems to me if we are going to have amendments moved to the bill, they should fit the bill in the form in which it is now before us.

Mr. Deputy Speaker: Order, please. I understand the point raised by the hon. member for Winnipeg North Centre (Mr. Knowles), but it would be very difficult at this stage for the Chair to identify all these corrections. The hon. member has brought to the attention of the House the corrections to be made in connection with motion No. 1. Perhaps I should refer the hon. member to Standing Order 75(7), which states:

An amendment, in relation to form only in a government bill, may be proposed by a minister of the Crown without notice, but debate thereon may not be extended to the provisions of the clause or clauses to be amended.

● (1450)

Perhaps at this stage, if the hon. member could inform the House of the modification to be made we could proceed with the amendments so long as they are brought to the attention of the House.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am not seeking, under the guise of a procedural point, to delay consideration of this measure this afternoon, but I do insist that we follow the rules. The rule you just cited, I submit, does not cover this situation at all. That rule permits the making of what is, in effect, a consequential amendment. The plain fact of the matter is that the wording of these motions as they appear on the order paper is faulty. They were obviously drafted by someone who did not look at the bill in the form in which it is before the House. I am prepared for the correction to be made before we proceed with these motions, but let us do it properly.

Mr. Poulin: Mr. Speaker, I was chairman of the committee on justice and legal affairs at the time the amendments were presented. I presume the hon. member for Winnipeg North Centre (Mr. Knowles) is referring to amendments which are now intended to be made at the report stage, and that he has no objection to those amendments that were made at the earlier stage before the committee and were passed.

Speaking as one who was present for all the proceedings on this bill before the standing committee, I may say I have not had an opportunity to see numerically the lines to which these amendments mentioned by the hon. member for Winnipeg North Centre should refer. It may well be that we could verify what the hon. member for Winnipeg North Centre has said. I believe there is agreement on his part, from what I heard him say, that we proceed so long as the lines are referred to in the correct order.

Mr. Knowles (Winnipeg North Centre): The hon. member is correct in saying I am not raising a procedural point in respect of the amendments passed in the committee, although I did study them carefully to see if I could find something wrong with them. It is clear that they were made within the terms of the royal recommendation.

What we now have before the House is a reprinted bill as amended in the committee, and the Minister of Justice (Mr. Lang) is proposing report stage amendments to that reprinted bill. Royal recommendations are required, and he has presented the royal recommendations. My point, however, is that if we passed motion No. 1 in its present form we would be making a change which would not make sense because of the lines listed and a few other things which are incorrect. It is a simple matter to make the corrections, but surely the way in which we do it should be correct.

Mr. Baker (Grenville-Carleton): I think there is some sense in the suggestion of the hon. member for Ottawa Centre (Mr. Poulin). Perhaps we might take a few moments, provided we do not take too long, to see whether there is some way in which the changes might be made. Although I do not know whether this is possible, perhaps by unanimous consent something could be done in respect of the order paper this afternoon so that we could proceed with the matter. I am sure all members wish the matter to be pursued and disposed of.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say that the mistakes are not the mistakes of the committee. The hon. member for Ottawa Centre (Mr. Poulin) is not on the spot. It is the Minister of Justice who has put down the report stage amendments and has not worded them correctly.

Mr. Deputy Speaker: Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) is quite right when he says the motions before us now do not correspond to the reprinted copy of the bill. I must bring to his attention that the bill was reported back on Wednesday this week, and the minister had to give notice of his amendments which are amendments to the bill which was before the committee. To my mind, the reprinting of a bill is more for the convenience of members than for the purpose of changing the bill on which the committee has worked. I understand the point raised by the hon. member, which is that we would be examining amendments that do not correspond to the reprint of the bill which is before hon. members.

Unless someone has a solution to propose to the Chair, I think perhaps we should set aside this order for the moment and go to another order of business.

Mr. Woolliams: Mr. Speaker, with the greatest respect, may I say that the amendment is not a substantive amendment. Surely the bill could be considered at this stage as amended, unless my friend from Winnipeg North Centre can point out that this is a very serious amendment related to the substance of the bill. If he could do that, I would be sympathetic to his viewpoint, but surely we should not delay this matter on such a small point of procedure. With the greatest respect, I think the error was made when the documents were handed to you, sir. But surely we can debate the bill. The amendment is not one of great substance.

Mr. Poulin: Mr. Speaker, I know the hon. member for Winnipeg North Centre does not wish unnecessarily to delay consideration of this bill on a technicality. I think if we take these amendments which are before us and relate

them to the bill in its form prior to the reprinting, we could make sense of each motion we would be debating. Then if each motion should pass, this could be done with reference to the new bill which has been presented in reprinted form as of May 28. In this way we could debate the matter with a clear understanding of the motions presented. The motions could be interpolated with reference to the bill dated May 28.

I think in this way we might follow the suggestion of the hon. member for Calgary North (Mr. Woolliams) and continue with consideration of the bill today and make some sense of it. If these motions should pass, they could very easily be interpolated into the bill as amended. Unless, as the hon. member for Grenville-Carleton said, we could clarify the matter in a few minutes, I would like to see debate continue. It is clear to all of us where each of these motions is intended to be inserted. I think we should continue.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have been occasions at the report stage when opposition members have made similar motions and the Chair has insisted that they be corrected in order to conform with the bill before the House. I think the rule should apply both ways. Although it is not my desire to expedite this bill, since I am opposed to it, I am prepared to be procedurally helpful.

All that needs to be done with regard to motion No. 1 is to change "line 1" in the (b) part to "line 3", and to change the phrase under (k) "Eighteen judges of the Dis-" to "Eighteen judges of the". I have other corrections to make to the other motions, but if these changes could be made, this one at least procedurally will be in order.

Mr. Deputy Speaker: This is exactly what I proposed at the beginning. If the minister wants to move an amendment to the motion in the name of the Minister of Justice (Mr. Lang), the House will be ready to consider it. I would hope the hon. member would not ask the Chair to become involved in the correction of an amendment or the modification of an amendment of which notice was given by the minister. A representative of the government should ask the House to consider modifications to the motion.

● (1500)

Hon. Mitchell Sharp (for the Minister of Justice) moved:

That Bill C-47, an act to amend the Judges Act and certain other acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island, be amended in Clause 5

(a) by striking out line 13 on page 3 and substituting the following:

"(e) One hundred and one puisne";

(b) by striking out line 1 on page 6 and substituting the following:

"(b) One hundred and seven";

(c) by striking out line 22 on page 6 and substituting the following:

"(h) Thirty-one judges and"; and

[Mr. Poulin.]

(d) by striking out line 33 on page 6 and substituting the following:

"(k) Eighteen judges of the Dis-".

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I wish to move an amendment to the motion which would read as follows:

That paragraph (b) of motion No. 1 be amended to read

"(b) by striking out line 3 on page 6 and substituting the following:"

and that paragraph (k) be amended to read

"(k) eighteen judges of the"

The Acting Speaker (Mr. Laniel): Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. LeBlanc (Westmorland-Kent)) agreed to.

The Acting Speaker (Mr. Laniel): Shall motion No. 1 as amended carry?

Some hon. Members: Agreed.

Motion No. 1, as amended, agreed to.

Mr. Deputy Speaker: The House will now proceed to the consideration of motion No. 2.

Hon. Mitchell Sharp (for the Minister of Justice) moved:

That Bill C-47, an act to amend the Judges Act and certain other acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island, be amended in clause 28 by striking out line 12 on page 24 and substituting the following:

"(k) eighteen judges of the".

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, according to my reading of the motion, it needs to be corrected toward the end of it, where it reads "by striking out line 12 on page 24". It should read "by striking out line 11 on page 24".

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker I wish to move:

That motion No. 2 be amended so that the words reading "by striking out line 12 on page 24" read "by striking out line 11 on page 24".

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the amendment?

Some hon. Members: Agreed.

Amendment (Mr. LeBlanc (Westmorland-Kent)) agreed to.

Mr. Lambert (Edmonton West): Mr. Speaker, I wanted to make some comments on this bill, and it is during the debate on these amendments dealing with increases in the salaries of judges that it would be appropriate for me to make my comments rather than on third reading of the bill.

Mr. Woolliams: I have to catch a plane.

Mr. Lambert (Edmonton West): If the hon. member for Calgary North (Mr. Woolliams) would prefer to speak

now, then I will yield my place to him to facilitate his timetable which he cannot alter.

Mr. Woolliams: Mr. Speaker, I have other commitments and I have agreed to catch a plane, but I intend to make some remarks on third reading of the bill. I am sure the remarks of the hon. member for Edmonton West (Mr. Lambert) would be in order at that time. Perhaps he would be prepared to agree to these amendments and to get to third reading of the bill. My remarks will take no more than five minutes.

Mr. Lambert (Edmonton West): So long as I am not prevented from going into details.

Mr. Deputy Speaker: I will put the question on motion No. 2 and see how fast we can proceed.

Shall motion No. 2, as amended, carry?

Some hon. Members: Agreed.

Motion No. 2, as amended, agreed to.

Hon. Mitchell Sharp (for the Minister of Justice) moved:

That Bill C-47, an act to amend the Judges Act and certain other acts for related purposes and in respect of the reconstitution of the Supreme Courts of Newfoundland and Prince Edward Island, be amended in Schedule IV

(a) by striking out the first line of paragraph 19(b) thereof and substituting the following:

"(b) one hundred and seven judges and";

(b) by striking out the first line of paragraph 19(h) thereof and substituting the following:

"(h) thirty-one judges and junior judges"; and

(c) by striking out the first line of paragraph 19(k) thereof and substituting the following:

"(k) eighteen judges of the District Court".

Mr. Deputy Speaker: Are there any amendments to this motion?

Mr. Knowles (Winnipeg North Centre): In response to your question, Mr. Speaker, I will say what I want to say on the substance of this bill when we get to third reading; but so far as the form of motion No. 3 is concerned I find no procedural errors in it. Perhaps that is an accident, but at any rate that is it.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt motion No. 3?

Some hon. Members: Agreed.

Motion No. 3 agreed to.

Mr. Sharp (for the Minister of Justice) moved that the bill be concurred in.

Mr. Deputy Speaker: Is that agreed?

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

Motion agreed to.

Mr. Deputy Speaker: When shall the bill be read the third time, by leave now?

Some hon. Members: By leave.

Mr. Sharp (for the Minister of Justice) moved that the bill be read the third time and do pass.

● (1510)

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I will be very brief this afternoon. This bill, as we know the procedure, came up for second reading and we had a debate at that time. It went before the Standing Committee on Justice and Legal Affairs and was carefully studied clause by clause. The committee met on May 27. We sat overtime, and the bill was analysed very carefully. I just want to repeat our position. We believe that judges should have an increase. We said that at second reading. I and all hon. members in the committee, with one exception, took that position.

I repeat that we have a very high calibre of judges in all our courts at all levels in this country. As a senior lawyer before the bar of Alberta and the bar of Saskatchewan I can say that we can be very proud of our judiciary from coast to coast, and particularly of our Supreme Court of Canada. We believe that the judiciary of Canada must always maintain its independence, not only from political institutions but also from any conflict of interest.

We believe judges should be secure in their jobs so that they can carry out their duties and responsibilities with the degree of independence we expect the judiciary to have, which separates it as an institution from other democratic institutions in the country.

In reference to the increases, perhaps it might have been better to discuss the question of income tax in this House on another occasion. My chartered accountant looked at the salaries of judges, and I have a chart of present and proposed judges' salaries and allowances, 1974 to 1976, which was prepared by the Department of Justice, and in checking the bill I find that it is accurate. My hon. friend from Winnipeg North Centre mentioned at second reading that there was a $3,000 difference in my figures. That $3,000 is a special allowance to judges under another statute, so I think that explains it.

I am taking the salary of the Chief Justice of Canada at the total rate as of 1974. He was paid $50,000. His increase will bring his salary to $68,000. His total federal and provincial taxes on $50,000 could be $21,126, and on $68,000 could be $31,772. These are based on Alberta figures, and I might say that in Ontario they are higher because our province has the lowest personal income tax of any province outside of one.

An hon. Member: New Brunswick has the highest.

Mr. Woolliams: I am prepared to accept that. These figures may be approximations only to the extent that deductions are made in reference to any contributions which are now paid on pensions and so forth.

For the Chief Justice of Canada to gain $18,000 he is going to pay $10,600 more taxes. Really we are only increasing the salary of the chief justice by $8,000.

Let us consider the other judges of the Supreme Court of Canada. This bill moves their salaries up from $45,000 to $63,000. Their taxes on $45,000 were $18,181, and on $63,000 at the same federal and provincial rates they will be $28,785.

The salaries of the chief justices of the provinces will move from $44,000 to $58,000. On $44,000 they pay $17,640 tax. On $58,000 they will pay $25,840 tax. In other words, to gain that $14,000, they pay another $8,000 taxes. These are interesting facts, and when judges pay tax that money goes back to the same fund which pays the salaries.

An hon. Member: It comes off the cheque before they get it.

Mr. Woolliams: It is taken right at the source. I thank the hon. member. Judges of the territorial courts will receive $56,000 instead of $40,000. On the $40,000 their income tax was $15,503, and on $56,000 it will be $24,661.

The salaries of superior court judges rose from $38,000 to $53,000. On $38,000 their tax was $14,434. On $53,000 it will be $22,894. So in actual fact the figures will be 50 per cent or 60 per cent less than we are talking about today and, as my hon. friend says, it comes off the cheque before you get it.

The chief judges of district courts will receive $44,000 instead of $30,000. On $30,000 tax was $10,271, and on $44,000 it will be $17,640.

Other judges of county and district courts will earn $40,000 instead of $28,000. That is in the second phase. I have not referred to the third phase because it is not payable until 1976, and I am not a futurist. On $28,000 taxes were $9,287, and on $40,000 they will be $15,503.

If these judges, especially the senior men, have any savings or any other income, the tax increases accordingly, because we are operating under the progressive rate. I do not intend to name them, but I know that hon. members—at least one in particular pays the government more money than he receives as a member of parliament because he has other income. I would like to emphasize that here before the media.

An hon. Member: What media?

Mr. Woolliams: There is someone here from Canadian Press, anyway. I could have prepared the same chart with regard to members of parliament. Surely we do not all come here as poor as church mice. Some of us did make a little money before we arrived, even though we left home with no education and with holes in our pockets and at our knees. I am one who can talk like that. But the fact is we do have other income, so many hon. members are giving practically all their salaries to the Department of National Revenue. During the war such people were known as dollar a year men.

If the judges salaries did not increase, does that mean none of the men who are going to have these jobs, or very few would be more accurate, could not make almost double what they will be paid? One may say that after all they are serving their country and they should take much less. They are taking much less, but if we are not going to pay them more, what we will get will be from the bottom of the heap. How many Canadians would like to have the judiciary made up of men who came from law practices which made so little money they were glad to grab the job? What kind of judgments would we have from that kind of grey matter? We need men of some calibre.

While I am on my feet I would like to make another point because of remarks already uttered. I always accept another man's right to express his viewpoint. I have said many times that if we all think alike, there is no thinking. I would not want to think that in this House of Commons we would have men who could not earn two, three or four times as much. I know men sitting on the Treasury Benches, I know men on the backbenches, and I know men on our backbenches who could do that manyfold. But they come here. I will not get into why they are here, but I will say that anyone who comes to parliament, if he stays here long enough, is making a great financial sacrifice. I think that is necessary. I do not think he can serve his country unless he does.

I must tell the House about the funniest letter I ever received. It was in regard to the increases in the salaries of members of parliament. I received this letter from one of my friends in my constituency. I did not know his age until I read his letter. He wrote, "Eldon, I served my country from 1914 to 1918 and never took my wife to the trenches. You do not need little Erva in Ottawa." I have not answered that letter. He may be right. That is but one letter. The writer suggested that because I was serving my country, I should be prepared to make sacrifices. I do not think we are called upon to make those kinds of sacrifices.

● (1520)

In the last few years many young members made a significant contribution to the life of this House. Many of them have children who need educating. Are they to be left in Vancouver or elsewhere while their father serves parliament? When children reach their teens they need their mother and father.

Similarly, are we to ask judges to make those kinds of sacrifices? Frankly I do not think this bill is out of line. By appointing Chief Justice McGillivray to the bench in Alberta the government showed a remarkable lack of partisanship. I cannot say what the judge earned as a counsel, but I think I could guess. In that case the government appointed a man of proven ability, intelligence, and character. I am sure it has made many similar appointments.

An hon. Member: Perhaps the government made a mistake.

Mr. Woolliams: Perhaps. Our judges have always been of high calibre. Let me tell the House a little story which impressed me when I was in law school and which shows that our judges are endowed with knowledge of human psychology, decency, and a sense of humour. I do not remember the name of the case. Some years ago a lady complained about noises coming from a tent pitched on the banks of the Red River. She complained to the RCMP about noises of revelry at night. When the RCMP investigated they found the occupants of the tent asleep, and a few empty wine and whiskey bottles as evidence of revelry. The occupants of the tent were sleeping off the effects of their revelry. The occupants of the tent were brought before the local judge on a charge of disturbing the peace. After hearing the complaint of the lady who had been on the opposite side of the Red River, the judge dismissed the charge. He said that the complainant was not annoyed by

what she heard and saw, but was annoyed by what she did not hear and see.

As long as appointees to the Bench show a similar understanding of human behaviour, our law and jurisprudence are in good hands.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I did not have an opportunity of speaking on the second reading of this bill, nor of participating in the committee deliberations. Also, I did not participate in the debate when Bill C-44 was being considered by the House.

I must say, having been in parliament for some 18 years and seen some of the changes which have taken place with regard to the levels of remuneration paid to those in the House of Commons and elsewhere, that I am not confused but very concerned about the attitude shown in many quarters of this country with regard to the remuneration of people in public life or in public office. I am greatly surprised that members of parliament and Senators have been singled out by media and correspondence for an unprecedentedly vitriolic, uninformed, biased and hypocritical attack related to pay in public life.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): We saw an exhibition, both in this House and outside, on the part of the media, directors of the media, and others who should know better, which was nothing but a hypocritical, demogogical outburst. Many statements contained blatant untruths with regard to Bill C-44, as it was originally introduced.

Although flat percentages were applied to figures coming under Bill C-44, the same yardstick was not applied to Bill C-24 dealing with the salaries of Lieutenant Governors. Goodness only knows, those salaries needed changing, having gone unchanged for so many years. Although some salaries were increased by well over 100 per cent, was anything said of a critical nature? Oh, here and there we heard a tiny murmur; but was it said this was wrong, after it had been said that the increases for members and Senators were wrong? That was hypocrisy; that was evidence of a double standard. That is my first point.

Second, during consideration of this bill, Bill C-47, which first appeared on the order paper in December last, there has been a little tut-tutting on the part of the odd editorial writer, but nothing has been really said about percentages. And, remember, the percentages under Bill C-44 were all wrong—

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member but I must inform him that he may not discuss bills that have already been passed.

Mr. Lambert (Edmonton West): Madam Speaker, I do not want to criticize a ruling, but I may refer to any legislation that has been adopted. I cannot question a ruling of the Chair, according to our Standing Orders, but we may refer to such legislation. I apologize for disagreeing with the Chair, but we may refer to a legislation which has just been adopted, incidentally, during a debate, and very easily. That is done quite often.

[*English*]

Percentages were applied to Bill C-44 and great shock seemed to be expressed by some, who said that was all wrong. But on a bill which applies even greater percentages, what do we hear? Nothing. Again this shows that there is a double standard. The judges, I suppose, are not the favourite kicking boys of the media and some other people.

● (1530)

It is not that I object to the level of salary that the judges are going to get because, in the general scale of pay, they will soon be overtaken. We know what is going on at the executive level in the public service. In a few weeks we will hear the rumours about the increases due to come at the executive level of the public service. Where will members of parliament be then? They will be as newborn babes in their relative innocence.

Let us look at the provincial and civic administrations. Let us look at education, both the administrative level and teachers. There is a story in this morning's *Globe and Mail* which states that in a certain school district in this province the top is going to be over $26,000. We must remember that has security of tenure and pension rights. There is no application of any merit principle at any time. They refused it. Their job is not on the line every few years. As far as I am concerned, my job has been on the line eight times in 18 years. Teachers work ten months of the year. It is true they have to do some other things, but there is no such thing as working 12 months a year.

Let us look at industry. The so-called blue collar workers now receive $12 or $13 an hour with a guaranteed 40 hour a week and plenty of overtime all year long. True enough that may be the aristocracy of the blue collars, but before the last pay increase went through, on the basis of time put in by an average member of parliament, he was paid at the level of a plasterer's labourer. He was actually paid less than $5 an hour. When you work out the $1,800 a month salary, which is $450 a week, it comes to $5 an hour.

I find it ironic that in all of the discussions it was felt that people in this House after four years, and in my case as in many others for the third time in 18 years, were contemplating a change in salary levels. The number absolutely overwhelms me. I ask those who criticize, where do they sit? How have they benefited? What percentage increase did they get in the interval? Do they have other income? We sometimes wonder about their great stories here. We wonder what are their sources and responsibilities. Do they have children to educate? How far do they live from Ottawa? What is the cost of separate homes?

In so far as the judges are concerned, there are some similar considerations. A judge has to be the leader of his peers among lawyers. He is a man who has worked hard to reach that desired degree of excellence that we hope to have in our judiciary.

The salaries proposed in this legislation are not out of line. It is rather funny when you consider that a chief judge of a county court goes up more than 70 per cent over the proposed schedules of this bill and he will get the benefit of retroactivity. Up to now the judges have had a non-contributory pension scheme. Has that ever been translated into actuarial value? What is the value of a

pension after 15 years' service, which is the minimum requirement under the act? There is a regrettably small survivor's pension, but it is part of the revenue from the position.

Superior court and county court judges are paid travelling and living expenses when they are away from their homes. Has anyone ever added that to their salary when totalling their revenue, as is done every day by some uninformed, misguided person in the media with regard to the salaries of members and ministers in this House? But everyone cluck-clucks and says it is wrong that the judges had to wait so long for changes. The same is true for lieutenant governors.

Cabinet ministers waited from 1952 until 1975 to have their increment changed. I think the appreciation the Canadian public shows to these men is really great. If ever there was a thousand per cent job, that is it. There is 1,000 per cent involvement. I speak with some experience. There is no other job in this country that has so much involvement from midnight Sunday all the way through to midnight a week later.

I will not speak about the emoluments of the Chair. I went through this same problem at the time I occupied the chair. There again there was no change in the increment for Mr. Speaker. I think that was a niggardly act on the part of the nation with regard to that office.

The same applies at the provincial level. The increments are subject to income tax. I have before me a schedule drawn up by a tax adviser as to the amount of tax that will be paid by a superior court judge, supreme court judge, Chief Justice of Canada, the superior court judges of the provinces, and the district court judges. How much will be recaptured by the treasury because it falls into the one taxation year? I leave it to hon. members, who can say just how much of the retroactive part of their salary increases went to the Department of National Revenue. The net cost of that pay increase to the Crown was very much smaller than would appear.

● (1540)

I do not think it does anyone any good to behave as this parliament and the public of Canada behaved over the last pay increase. It is very easy to say it should not be done, but somewhere the buck has to stop. Someone must take a decision. We have to amend bills every now and then to pass on judges' salaries. I believe the Minister of Justice (Mr. Lang) and his advisers make the best examination of the subject they can before putting forward proposals. These may have to be altered because the minister's colleagues will not accept them. Then, in this House, are we competent to decide exactly what a judge's salary should be?

We do not seek to determine the salaries paid to public servants at the executive level. We do not try to fix the wages elevator operators should be paid. There are standards set. There is an independent committee which advises the cabinet on the desirable level of executive remuneration.

Why not set up a parliamentary commission charged with reporting every two years with regard to changes which should take place in the remuneration of judges and parliamentarians, these recommendations to become law within a certain period unless negative action is taken by way of resolution in this chamber? To my mind this would be eminently fair to all parties concerned, the public included—and the public is to be considered in this—I do not mean to add them as an afterthought.

In France a member of parliament is paid $35,000 a year plus certain allowances; 45 per cent of that salary is not taxable. That salary is fixed by statute—it is to be the mid point, the average of the highest and lowest in the executive class of the public service. In this country it would be somewhere around SX-3 or SX-4. It is automatic—no fuss and feathers about it. Members of parliament there serve the people just as we do.

In Germany, a member of parliament is paid about $35,000 at today's exchange rates, plus certain allowances.

When one looks at pensions I have to laugh at the *Globe and Mail* and certain other papers when they insist that members of parliament enjoy the benefit of a most generous pension scheme. They ought to broaden their outlook and get a little more information. If people are adequately paid they will pay their proper contributions. I can agree that the front end load is wrong in some cases. On the other hand, the people who serve here for six years, especially if they are professional people, cannot step out of the chamber and adjust to civvy street as easily as changing a suit on a Monday morning. There is no severance pay as there would be in private industry; if there were we could dispense with this idea of a person serving here for six years and then drawing a pension.

One must consider, too, the entitlement of the widow or the spouse of this individual, and the role that person has to play in the life of a member of parliament. This is something which the media and the public forgot. In the case of a male member, the wife has rights too—she works damned hard for them, but in all this fuss and fury, amid the stage plays that were put on here and elsewhere, this was forgotten. However, my colleagues here do not forget it. They know what it means.

So, I would say this pay increase is needed. It is indeed unfortunate that the percentages have to be so high. I am glad for the sake of the 500 or so judges affected that the media have not decided to make them kicking boards because, on the basis of the performance of last December and later on, they should be kicked all over the lot at the present time. But no, there are double standrads, and I do not mind saying it. Double standards have been applied in this case.

I commend the bill before us today. I am sorry it has taken so long to get to it. I think there are better ways in which to proceed. I have suggested one, and I commend it to hon. members opposite as I would commend it to my hon. friends on this side of the House in the event we were forming an administration. There still has to be a decision made.

I don't give a damn about an argument which says we should not make up our minds for ourselves. This is what boards of directors do. It is done in all walks of life. The publisher of a newspaper sets his own remuneration. An editor who is a member on the board of a newspaper sets his own remuneration. It is not wrong for him to do so, but

it is wrong for parliamentarians. It is the same in broadcasting stations.

I am sorry if I have been tempted to vent some spleen this afternoon, using as a vehicle a bill to which I give full approval, and I apologize to hon. members for having taken overly long. However, I did not say anything on the other bills, nor during previous stages of the bill before us.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Mr. Knowles (Winnipeg North Centre): Order!

The Acting Speaker (Mrs. Morin): The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, it is often true in this House that we can differ widely on an issue that comes before us and yet find some measure of common ground. At least it is usually the case that we can understand each other despite wide differences of opinion which may exist. I am afraid, however, that on this issue, as between many of my hon. friends in the chamber and some of us in this quarter, it is awfully hard to understand each other. The gulf between us is too wide.

I comprehend what the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Edmonton West (Mr. Lambert) are saying. They believe in those at the top getting percentage increases that correspond to the percentage increases that others have had. Thus they believe that those at the top should get more. I just do not share that point of view, Madam Speaker.

I believe it is the job of government and parliament to try to get rid of the inequalities in this country and to concentrate on raising the incomes of those in the middle and lower brackets. We do not move in that direction when we add substantial increments to the salaries of those who are already in the top 10, 5 or 3 per cent of our wage or salary earners.

● (1550)

It is not my intention to prolong this debate. Apparently I shouted "nay" so loudly a while back in an effort to drown out the "yeas" on that Senate bill that I did something to my voice which will protect members from a long speech from me at this time. I have also got to save my voice a bit because in a few minutes we will be dealing with a motion of mine calling for an increase in the old age pension.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): What will happen to that motion?

Mr. McKenzie: I will support it, Stanley.

Mr. Knowles (Winnipeg North Centre): My hon. friend from Winnipeg South Centre (Mr. McKenzie) says he will support it. I expect lots of members will support it. In fact they will speak about it so long that they will talk it out.

Mr. Lambert (Edmonton West): You have not the right to increase the pension anyway.

Mr. Knowles (Winnipeg North Centre): We have here an interesting contrast. Our judges are getting these high salaries, and my hon. friend from Edmonton West (Mr. Lambert) slopped over into a rehashing of Bill C-44. Others are getting high salaries. A spirited defence is made for them that they should get these massive increases. I just do not agree. I think that this should not be our first concern, and I again make the point that I have tried to make in debates like this on other occasions, that at this particular moment in our history the issue is not whether our judges, lieutenant-governors, cabinet ministers or Senators need an increase in pay; the issue is the state of our economy.

The state of the economy is such that the Minister of Finance (Mr. Turner) is preaching restraint, and he seems to be doing his best to give us some hints of what is going to be in his budget. The budget is going to contain restraint measures.

Mr. Boulanger: Right.

Mr. Knowles (Winnipeg North Centre): My hon. friend across the way says "right". If from this place restraint is to be preached to the Canadian people as a whole, then how can hon. members stand in this place, time after time, and support massive increases for those who are already at the top?

Mr. Lambert (Edmonton West): Why not tell that to your friends?

Mr. Knowles (Winnipeg North Centre): I do. I made a speech when we were dealing with the Treasury Board estimates along this same line. Reference was made to massive increases that are coming to executives in the public service. When those increases come, Madam Speaker, I shall oppose them as well. I think percentage increases should apply only to that portion of one's income that must be increased in order to meet the basic cost of living. As for any increase above that point, especially in light of today's economy, my answer is no.

Mr. Baker (Grenville-Carleton): Is your answer still no even to the postal workers who are asking for 70 per cent?

Mr. Knowles (Winnipeg North Centre): My answer to these outlandish requests is that they are wrong, especially in the case of those who are already some way up the scale. But I point out that this rash of outlandish demands has come about since in this House of Commons in December it was proposed to give members a 50 per cent raise.

Mr. Lambert (Edmonton West): Nonsense. We did that a long time before.

Mr. Knowles (Winnipeg North Centre): My hon. friend shouts "nonsense" and others show their sensitivities with respect to this issue, but that is the fact. We have fanned the fires of inflation by what we are doing in this House.

Mr. Lambert (Edmonton West): I saw a settlement of 35 per cent for one year last November.

Mr. Knowles (Winnipeg North Centre): I am getting lots of help in saving my voice because of all these interjections, so I welcome them.

Mr. Boulanger: You had better go to Ste. Anne de Beaupré if you have hurt your voice.

Mr. Knowles (Winnipeg North Centre): That sounded interesting but I did not hear what my hon. friend said.

Mr. Boulanger: I said you will have to go to Ste. Anne de Beaupré.

Mr. Knowles (Winnipeg North Centre): I seem to be standing alone here today, Madam Speaker, but I was not alone on the vote on Bill C-44; there were 25 of us that opposed the bill. This shows that some members of the House have some conscience and are sensitive about this issue.

In regard to increases for people at the top, I say that the issue is not how long it is since they had their last increase. It is not whether they need it or that they should preserve their place in the pecking order. The issue is whether it is fair to the Canadian people to give them an increase in view of today's state of the economy, and I say it is not. I say that we did wrong, that we committed an outrage in passing Bill C-44. I say that we were wrong in raising the salaries of those in the other place and of cabinet ministers. I say the same thing in regard to judges and lieutenant-governors.

From this place, Parliament Hill, where we speak to and for the people of Canada, there should be a conscientiousness in what we do, and we should have an eye to the effect of what we do on the economy as a whole. It is for these reasons, Madam Speaker, that I opposed Bill C-44, and it is for these reasons that I oppose this bill as vigorously as I can.

I go along with all those who have argued about the importance of the judiciary, that they should be independent and so on. But to suggest that we will get impartial judges and good members of parliament simply by paying higher salaries I think misses the point altogether. I still hope that from this place, from this Parliament Hill, the voice of reason will be heard, and if there is to be the preaching of restraint to the Canadian people as a whole, which we will probably get on the night of June 23, I suggest that right here is the place where the practising of that restraint should begin.

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mrs. Morin): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): No. On division.

Motion agreed to on division and bill read the third time and passed.

The Acting Speaker (Mrs. Morin): It being four o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills.

[Mr. Knowles (Winnipeg North Centre).]

PRIVATE MEMBERS' MOTIONS

[*English*]

The Acting Speaker (Mrs. Morin): Notice of motion No. 2, the hon. member for Hamilton West (Mr. Alexander). Shall the motion stand?

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Stand at the request of the government.

Motion No. 15, the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). Shall the motion stand?

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Stand at the request of the government.

Motion No. 19, the hon. member for Laprairie (Mr. Watson). Shall the motion stand?

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Stand at the request of the government.

Motion No. 20, the right hon. member for Prince Albert (Mr. Diefenbaker). Shall the motion stand?

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Stand at the request of the government.

Motion No. 34, the hon. member for Winnipeg North (Mr. Orlikow). Shall the motion stand?

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Stand at the request of the government.

Motion No. 37, the hon. member for Edmonton-Strathcona (Mr. Roche). Shall the motion stand?

Mr. Sharp: At the request of the government.

The Acting Speaker (Mrs. Morin): Stand at the request of the government.

Motion No. 39, the hon. member for Winnipeg North Centre (Mr. Knowles).

OLD AGE SECURITY ACT—CANADA PENSION PLAN

SUGGESTED REDUCTION IN AGE ELIGIBILITY AND INCREASE IN PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this House, the government should give immediate consideration to the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and who are not in or are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and to everyone at age 65, to be increased to $200 per month, for this basic amount to be escalated each year by an amount that will enable pensioners not only to keep up with rising living costs but to share in

rising living standards, and also to provide for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

● (1600)

He said: Madam Speaker, this is an interesting coincidence, but there are those in the House who know I did not plan it this way. It was the officials in one of the offices that lined up this motion for debate this afternoon at four o'clock, and it was the government that lined up the bill to raise judges' salaries for earlier this afternoon. I hope the readiness that most of the members have shown to support substantial increases in the salaries of judges will reflect itself now in a readiness to support the proposal for a substantial increase in the pensions paid to our senior citizens.

Mr. Whittaker: They are going to accept it.

Mr. Knowles (Winnipeg North Centre): My hon. friend to my right says they are going to accept this motion. I would not be surprised if there are a number of speeches in favour of the general principle for which I am asking, but at five o'clock they will still be talking about it.

It is still my view that one of the finest moves ever made by the parliament of Canada was when the Old Age Security Act was passed and came into effect on January 1, 1952. The passing of that legislation changed the situation we had for a number of years in which older people got a pension only if they could meet a very severe means test, and in its place it was determined that everyone who met the requirement of residence and age, at that point it was age 70, would draw a pension as of right.

Let me say also that I think one of the finest acts ever performed by my late friend, the Right Hon. Louis St. Laurent, was when he announced after the passing of that act that he was going to apply for his pension. He was the Prime Minister of Canada, he had a private income, but he was of pensionable age and he said to the people of Canada that he wanted to demonstrate that this was something that should go to all people who were of pensionable age and there was to be no stigma attached to it on the part of anyone. He said that was the reason he was applying for old age security.

Not only do I see this in terms of having lived through it all, but I feel we have changed the character of retirement living by the extent to which we have made other things which are available to older people a matter of right. We have come a long way in many respects since the Old Age Security Act came into being. That in itself was tremendous progress from what was done back in the mid 1920's. We have now added, even where they are not provided for everybody, hospitalization, medicare, prescription drugs, and free or low-cost travel on public transportation and so on, including half rates to movie theatres and the various other benefits which accrue to a person now simply because he is 65, without any questions being asked.

My concern is that these social advances which were made with the adoption of the Old Age Security Act should be continued, and we should improve the whole picture by substantially raising the amount of the old age security pension, by getting rid of the means or income test that applies to that portion known as the guaranteed income supplement, and by bringing these things into effect at age 60 instead of age 65.

The motion as you read it from the chair, Madam Speaker, proposes that the basic pension under the Old Age Security Act be raised to $200 a month. I draw your attention to the fact that the motion was filed on October 10, 1974. A lot has happened since then. I believe it was two weeks ago today that, under Standing Order 43, I tried to move a motion to raise the basic old age pension to $300 a month. If it were possible to amend this motion now before us I would amend it along those lines, because in the past few months since this motion was placed on the order paper we have spread money around lavishly and easily for certain other persons. It is also the fact, of course, that the rise in the cost of living has escalated old age security pensions and the guaranteed income supplement to the point that an individual who is drawing the full amount is now getting more than $200 a month, but it is still only $123.42 for the person who draws only old age security.

The time has come to raise that amount to a figure like $250 or $300 a month, and to see to it that it goes to everyone as a matter of right. A few moments ago one of the defences made in regard to higher salaries for judges, members of parliament and others was that they would pay a good chunk of it back to the Department of National Revenue in income tax. If that argument is good for judges and members of parliament, I submit it is also good for those who are in receipt of old age security.

What has always been the basic theory behind the universal program is that the most fair, the most dignified, and the most humane way of providing social benefits is to give them on a universal basis and let the income tax take care of those who, because of their other income, really do not need it. I know the same Liberal party which took nearly half a century to get to the point of being willing to go for universal old age security has now backed away from it and is preaching the gospel of selectivity. Like Arthur Meighen, and I had better bring a Conservative into the picture since I mentioned Mr. St. Laurent, I am unrevised and unrepentent about this. I still think the best way to provide benefits like old age security is to provide them on a universal basis without applying a means or income test beforehand, letting the income tax apply afterwards.

That is the reason why I argue that the basic pension should now be raised, as the motion says, to $200 or, as my motion of two weeks ago suggested, to $300, and that the guaranteed income supplement portion be paid to everyone, that there be no means or income test on it and that we get back to what we started out to do in the early 1950's, namely, bring to our older people the full measure of dignity that is their right.

I get teased around here sometimes for having been here for quite a while. I do not mind that teasing; I am proud of the fact that I have been here quite a few years. One of the things that is very prominent in my memory is the realization of the difference we have made in the lives of the older people. Some 30, 40 or 50 years ago they were kept in back rooms. They could not go anywhere as they did not have the clothes or the car fare. Now older people get out

to all kinds of things. They have the clothes and they enjoy public transportation. Golden wedding anniversaries today are much more widely attended then they used to be because people can afford to get to them. We have made improvements. I am not only prepared to admit that, I assert it, and we have been able to do that to the extent we have practised the principle of universality.

● (1610)

I ask that this parliament continue that principle and that it do so along the lines I suggest in this motion; that is, that the basic amount of the pension be raised to a figure high enough that everybody gets more than is now being paid under both old age security and the guaranteed income supplement. I argue also that the age for that pension should be brought down to 60.

My motion refers not only to lowering the age for old age security but also to lowering the age in respect of the Canada Pension Plan. I attach to both of these pensions at age 60, and up to age 65, the requirement that a person be out of the labour market. That could be because of having left the labour market or of never having been in it. As hon. members are aware, I think this is a much better way to pay pensions at age 60 than what the Minister of National Health and Welfare (Mr. Lalonde) will be proposing in a bill in which he will give it only to those between the ages of 60 and 65 who are spouses of one who is 65 or over. I think the time has come for the pension to be available on a voluntary basis to anyone at age 60 provided that person is out of the labour market.

Although life can be richly rewarding, we also know that life has become more difficult. The rat race in our industrial society today is such that many workers have great difficulty in trying to continue to age 65. I think one thing we could do that would most enhance life in later years is to permit people to retire when they are young enough to plan their future and their remaining years. That is the reason why in this motion I plead that there be a reduction of the age to 60 on a voluntary basis, and that it apply to both old age security and the Canada Pension Plan.

There is no point in telling a person he or she can receive the old age security at age 60 and expect that he or she will retire if they cannot pick up any other benefits which are available. If we can induce many people in this age group to retire this would incidentally open up many jobs for those who are younger and unemployed. So, I present the motion to the House this afternoon as earnestly as I can.

I suppose this motion epitomizes the type of thing I have worked on the hardest during the decades I have been in this place. I am aware of the needs of those in other age groups. I am very much aware that there is a move in the direction of having a guaranteed annual income to cover all our people. Indeed, I press for this to be done. I am aware of the arguments from the other side that if we are to start spending we should spend the money on the needs of single parents and people who cannot work. The difficulty, however, is that although we are told the money should be spent in this other place, it is not spent in either place.

[Mr. Knowles (Winnipeg North Centre).]

There is a whole broad spectrum about which we should be concerned, but I submit that our society is easily measured on the one hand in respect of what it does for our children and younger people, and on the other hand by what it does for our older people. I say we should take steps to make still better the life of the senior citizens in Canada and add to the glory that was Parliament's when it passed the Old Age Security Act in 1951, which became effective in 1952. Therefore I present this motion and hope that the House will agree with me, as I say in my motion, that the full benefits available to our people should be recognized as the established right of all our senior citizens.

Mr. Frank Maine (Wellington): Madam Speaker, I welcome the opportunity to speak on the motion of the hon. member for Winnipeg North Centre (Mr. Knowles). He has achieved a remarkable reputation in this House for fighting on behalf of Canada's old age pensioners. This motion is of interest to many Canadians, including the senior citizens of my constituency of Wellington.

At the very outset, Madam Speaker, I believe it is important to point out that the combination of old age security benefits and retirement pension now available to Canadians aged 65 and over, under the Canada Pension Plan and the Old Age Security Act, is one of the most advanced in the western world. These two acts form an integral part of the Canadian social security system. They enable millions of people to provide financially for themselves and their families during crucial periods, that is, when retirement arrives, when disability strikes, or when death takes away the breadwinner. It might be worthwhile taking a moment to consider the number of Canadians who are already receiving assistance under these acts.

Each month approximately half a million senior citizens and their families receive a benefit cheque under the Canada Pension Plan alone. In addition to this over 1.8 million Canadians, that is all long-standing residents of Canada 65 years of age and over, receive a monthly benefit under old age security. Of these over 1.1 million people receive a further payment each month under the guaranteed income supplement program.

This is a highly successful program which this motion proposes to change. In fact there are three parts to the hon. member's motion. The first advocates making old age security and Canada Pension Plan benefits available to all persons who retire at age 60. The second is aimed at increasing the benefits of the old age pension to $200 a month and indexing them to the standard of living. The third calls for the elimination of any income or means test for receipt of guaranteed income supplements. I would like to consider each of these parts in turn to show why, at this point in time, it would be unwise to adopt this motion.

There are sound economic reasons for not undertaking the first proposal to increase the old age pension and Canada Pension Plan rolls to include all those who retire at age 60. First of all, retirement at age 60 would reduce the productivity of this country at the very time when it is most important that everything be done to keep production at as high a level as possible.

All too often we forget that workers between the ages of 60 and 65 possess skills which took many years to develop.

This kind of an amendment could add another 800,000 people to the lists of those dependent on the government for their income, and deprive the community of the valuable energy and skills which these men and women can offer. This is becoming increasingly important with the changing age structure of our population.

At present 8 per cent of all Canadians are over 65. But by 1985 at least 13 per cent of our citizens will be over 65. This, combined with the trend to smaller families, means that we may well be facing a severe labour shortage in the coming years. Therefore the contribution that our senior citizens can make to the work force will be even more significant. As it is, these demographic changes mean that we will almost certainly have a smaller proportion of people in the labour force who will have to support a larger retired population. To accept this motion for the provision of retirement pensions at age 60 would make this situation even worse.

Secondly, let us consider the cost of providing pensions and guaranteed income supplements to those who retire between 60 and 65. It would be approximately $1.2 billion. This measure by itself would double the current federal contribution to Canadian public assistance. This money must come from somewhere. In fact it will come from the taxes paid by other Canadians and at the expense of other needs in society. In this as in every other instance of government spending we are talking about priorities.

● (1620)

Should our priority be to provide additional funds to a limited group of people in the population, many of whom already hold well paying jobs, before we tackle the more urgent problems of poverty in this country? If we are really concerned about fighting poverty in Canada we will aim our resources at those who are the worst off, not to broad groups across the board, but in a selective fashion to the poor, the disabled, and the needy.

The government is presently conducting a comprehensive review of its social security programs with a view to improving the distribution of income across the country. The reform which will follow should benefit Canada's senior citizens as well as others, but according to their need as individuals rather than as a group, regardless of need.

Finally, this resolution makes the assumption that the majority of people between the ages of 60 and 65 want to retire. This is by no means always the case. A number of cases have come to my attention of people who are being compulsorily retired at age 65, and who object to being pensioned off in this way with good working years ahead of them. To make Canada Pension Plan benefits available to people at age 60 would only encourage private industry to retire people earlier.

In the past businesses have tended to accept the age at which old age security or Canada pension payments begin as the normal age for compulsory retirement under their private plans. When the eligible age for social security payments dropped from 70 to 65 many private firms dropped their own age for compulsory retirement. To lower this age again to 60 would penalize many Canadians who are not happy to retire at that age, and who have productive years ahead of them.

Already more and more people here and in the United States are questioning the value of early retirement and the widespread policy of compulsory retirement. A Conference Board study reports, for instance, that in those companies which already offer early retirement plans, only 10 per cent of eligible employees actually take advantage of this option. There is a strong argument which suggests it may be preferable to reintroduce a system of optional retirement in view of the extended lifespan and productive capacity of many people over 65.

Too many of us in the past decade have been persuaded by advertisements and a media campaign which glorified the "Pepsi generation", those under 25, to the point where we assume that the world belongs exclusively to the young—where we assume that a man's or woman's productive years are finished at age 60 or even earlier. This is not so. For instance, were we to introduce compulsory retirement at age 65 in this House we would lose the valuable contributions of such colleagues, among others, as the right hon. member for Prince Albert (Mr. Diefenbaker), as well as the hon. member for Winnipeg North Centre (Mr. Knowles). Truly this would be a shame.

Some hon. Members: Hear, hear!

Mr. Maine: I am particularly concerned at the number of industrial firms who seem reluctant these days to hire older employees, who put so much emphasis on the bright young men around that they forget how much more experienced and older employees can offer. This is a subtle, but socially debilitating, form of discrimination. In my view we need less talk about lowering the age for pensions and more support for hiring and recognizing the contribution of older and experienced employees.

This government has deliberately been emphasizing that great potential to be found among Canada's senior citizens—a productive potential which is now being developed through such programs as New Horizons. There are good reasons why New Horizons has been one of the most successful and widely acclaimed programs ever launched by the federal government. This kind of project, which employs and funds the activity of senior citizens, must be considered a more productive utilization of funds than a simple extension of the pension.

Another good example of Canada's senior citizens working not only for their own country but also abroad, is the Canadian Executive Service Overseas. This is an agency funded by the federal government which, at the request of the developing nations, sends out over 200 retired Canadians a year—between the ages of 65 and 70 for the most part—who use their expertise and experience to help solve particular problems or challenges facing the developing nations. In this way older Canadians have helped in over 40 countries of the world. In the past year under this program, Canadian senior citizens have given voluntarily of their time in a wide variety of projects. Some have worked, for instance, to increase barley production in Sri Lanka, to improve car leasing in Thailand, and to modernize the hotels of Nigeria. These people are proving that not only Canadian young people, but also our senior citizens, can make a contribution to development around the world.

With the same goal, the government introduced amendments to the Canada Pension Plan last year which were

designed to enable all pensioners, including those from 65 to 69, to continue to work full or part time and receive wages. Before these amendments were passed, contributors between 65 and 69 had to retire from regular employment before they could qualify for Canada Pension Plan benefits, and recipients of these pensions aged 65 to 69 faced the prospect of having their pensions reduced if they earned above a certain amount.

I am surprised that the hon. member's motion is designed to make a pension payable at age 60 only on condition that the individual retires. Surely this flies in the face of all recent moves to allow senior citizens to continue to work while receiving a pension. This may suit some professionals who can readily resume their work again at age 65, but surely it works to the detriment of the average working man.

The second substantive part of this motion calls for an increase in the old age pension to $200 a month. I do not think that this is unreasonable at all. But I want to point out that an individual who receives the old age pension and the guaranteed income supplement at present already can receive $209.99 a month—as much, indeed more than the hon. member's motion calls for. I realize that it is the basic rate of pension, now at $123.42, that the hon. member wants to raise, but I feel it is worth noting that those who need the higher amount can already receive it under the existing plan.

We have indeed come a long way since 1926 when parliament first passed legislation giving senior citizens the magnificent sum of $20 a month at age 70. In the last two or three years alone the budget for social security, for old age pensions, has doubled from $2 billion to $4 billion, and income tax exemptions have been provided to allow a couple over 65 to earn an income as high as $8,000 a year before paying tax.

The key difference between the government's policy and the hon. member's proposal is basically that the hon. member would like to eliminate completely any pension dependent on an income test, so that $200 would be the basic amount received by all persons 65 and over, or those over 60 and retired. This means that the wealthiest businessman in Canada with substantial personal assets will receive as much as a widow with no other means of support. This is hardly fair. It is hardly just. The key advantage of our pension system as it now stands is that we can direct the resources to where they are most needed. That is to say, we can increase the pension payable to those individuals with little or no income in a way that this motion would not allow. This is both the most efficient and the most equitable use of the money available.

● (1630)

Therefore I am opposed to the motion put forward by the hon. member for Winnipeg North Centre. It would not lead to an equitable use either of the resources of the country or of the resources devoted to the senior citizens of Canada.

Fairness is the goal at which old age security should aim, and that is precisely the goal of the present system. This is why old age security benefits are now fully indexed to the cost of living and payable quarterly to ensure that our senior citizens, who have worked hard all their lives, are protected from the damage of inflation. This is why we retain an income test in order to ensure that those who most need support receive it.

[Mr. Maine.]

There is an old Hasidic saying that the prosperity of a country is in accordance with its treatment of the aged. By this standard I believe that Canada can be judged among the most advanced and prosperous countries in the world. When compared, for instance, to the American schemes, the Canadian system comes out clearly ahead. Not only are Canadian pension payments higher, but they are available without retirement at age 65, whereas substantial retirement is required to receive a pension in the United States before the age of 72. All too often the United States sets the trend for Canada, but in this area Canada is among the leaders of the world.

We have an old age security and pension system in Canada of which we can be proud and which deserves our support.

Some hon. Members: Hear, hear!

Mr. Dan McKenzie (Winnipeg South Centre): Madam Speaker, it is indeed a pleasure to support the motion brought forward today by my neighbour from Winnipeg, the hon. member for Winnipeg North Centre (Mr. Knowles). I will just take a few minutes to speak in support of this motion because I do not want to be accused of taking part in talking it out.

When one talks about lowering the pension age to 60 and increasing the pension up to $200 a month, people ask where the money will come from. I do not think I would have any trouble finding the money in the $30 billion budget of the Liberal government. There are hundreds of millions of dollars—and the Conservative Party has mentioned this many times—which would be available if some of the departments were to be phased out. For example, Information Canada is just duplicating what each government department has now, its own information offices. They are expanding, and we can certainly do away with Information Canada and find hundreds of millions of dollars there.

The government is expanding its expenditures on outside consultants, and that is reaching about $1 billion per year. We can certainly start phasing out outside consultants, and there we would find the money for increased pensions and for lowering the pension age. We had no trouble finding money for increases for members of parliament and judges, so I am sure the money can be found quite easily.

The Progressive Conservative Party has long supported an increase to about $200 a month and the lowering of the pension age, and I would like to quote from the position paper we presented in the last election:

> The Progressive Conservative Party pledges itself to ensure that our aging population lives in comfort and dignity.
>
> We refuse to engage in the kind of demeaning auction room bidding which has often been directed to our senior citizens. Recognizing what inflation has done to this deserving group, a Progressive Conservative government will provide a substantial increase in the basic old age security pension. We regard such an increase as a just and proper act to partially remedy the inflationary pressures that have so diminished the economic security of these Canadians who have given years of service to their country.

It is not our view that people of 60 years of age be compelled or urged to retire, but in a country like Canada citizens should be enabled to retire in comfort and dignity at 60 if they so desire. We would consider gradually lowering the age of benefit eligibility if an applicant is no longer employed.

A Progressive Conservative government would ensure that when a wife or husband reaches age 65 the spouse is deemed eligible for old age security and guaranteed income benefit if he or she is not employed and is more than 50 years of age.

I find that this is what the majority of Canadians want today, contrary to the remarks made by the hon. member for Wellington (Mr. Maine) that people do not want to retire at 60 today. The hon. member for Winnipeg North Centre put it very well when he said that with the rat race today in certain industries people are exhausted at 60, and that no contribution is made after 60.

Mr. Cullen: Come on!

Mr. McKenzie: In certain industries today one cannot make a contribution after 55, and I refer to the industry in which I was involved. That is communications, and I observed this because I was in that field for 30 years. I am speaking from some knowledge, not just something I pulled out of a hat.

The position paper goes on to say:

The withering away of savings has put in jeopardy the private pension plans of many Canadians. A Progressive Conservative government will encourage effective action to bring remedial justice to people whose financial security has been undermined by inflation.

I just do not agree that the answer to every problem is to pay people more money. The government also has an obligation in this field to do something about inflation. That would help senior citizens in two ways, and not just with an increase.

The position paper continues:

Far too many senior citizens are unable to find space in housing units. A Progressive Conservative government will make meaningful aid available so that the provinces will be able to accelerate the construction of senior citizens' housing.

We favour the expansion of the New Horizon program in order that the valuable resources resting in our old population may be drawn upon to their benefit and that of society as a whole.

I would like to give further support to this bill by reading from a speech made by the Leader of the Opposition (Mr. Stanfield) in Gander, Newfoundland, on June 5, 1974. He stated:

Let's talk about the older folk; those who have been trying to get by these days on the old age pension and the guaranteed income supplement. They know—and no one knows any better—what the cost of living has done to them. Every month—as prices go up for food, clothing, and shelter—the value of their pensions goes down.

Our party fought for a better deal for them in the last election and throughout the last parliament. And we still are. When we are elected, we will provide an immediate increase in the basic old age pension of $7 a month and for those in greatest need of assistance, we will provide an additional $15 a month.

That will bring the total of the basic pension and guaranteed income supplement up to $202 a month. I'm not saying that's the moon, but it's an attempt to provide a basic adjustment in pension income that relates to the rapid increase in the cost of living.

I will draw my remarks to a close by saying that I hope no more hon. members will rise to oppose this motion.

Mr. Cullen: Cut off debate?

Mr. McKenzie: Don't talk it out; just agree to this motion. You would really get a feather in your cap if you supported some private member's motion for a change. Maybe the hon. member has a surprise for us this afternoon. I hope he will support this motion to his fullest. I am quite sure that the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) and the Minister of Finance (Mr. Turner) know of ways to find the money to support this motion today.

Mr. Béchard: Would the hon. member permit a question?

Mr. McKenzie: Oh yes, first time.

Mr. Béchard: I would like to ask the hon. member if he is aware that the Conservative Party in all its history since 1867 only gave $16 per month to the old people.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

• (1640)

Mr. McKenzie: I remind the hon. member that his party was tagged with the name "six-buck boys", and the people of Canada have not forgotten.

Mr. Knowles (Winnipeg North Centre): The figure should be $19, not $16.

Mr. Béchard: Madam Speaker, I rise on a point of order.

[*Translation*]

The Acting Speaker (Mrs. Morin): The hon. member for Bonaventure-Îles-de-la-Madeleine on a point of order.

Mr. Béchard: Madam Speaker, we have just been tagged "six-buck boys". I feel the hon. member is exaggerating. We gave around $209, that is $209 less $16.

The Acting Speaker (Mrs. Morin): Order, please. The hon. member is starting a debate. This is not a point of order. The hon. member for Lotbinière.

Mr. André Fortin (Lotbinière): Madam Speaker, I am pleased to take part in this debate on a most important motion introduced by the hon. member for Winnipeg North Centre (Mr. Knowles). The motion echoes similar motions unders Nos. 10, 26 and 23, including one by my colleague for Roberval (Mr. Gauthier) to bring down pensionable age to 60.

It was my impression that during the last federal election a consensus was reached among the parties. It was my understanding it had been settled once and for all that if this government was re-elected, a bill would be passed to bring pensionable age down to 60.

An hon. Member: There was no commitment about that.

Mr. Fortin: Madam Speaker, somebody from the other side says there was no commitment. I could table in this House an advertisement by the Liberal government, the Liberal party, that were distributed from door to door in my constituency. It was even dropped from an airplane

flying over the city of Victoriaville, to announce that the Liberal party was now in favour of the 60 year pensionable age. Indeed, this motion is almost identical to what was then published in the advertisement. We are now told this would not do, this would be too expensive, this is unacceptable, that pensionable age cannot be brought down to 60, that those people have to work, and so on.

But nonetheless, Madam Speaker, knowing members of parliament as well as I do, knowing as well as I do the political game, you must realize that some time soon the Minister of National Health and Welfare (Mr. Lalonde) will hopefully be introducing a bill that would probably bring pensionable age down to 60 in cases where the other spouse already receives a pension at age 65. How amusing it will then be to see all members opposite support the legislation. They will have adequate funds. They will see no monetary problem. In other words, anything coming from them is reasonable, and they have all the money needed for it. But coming from the opposition, it is unacceptable. These are the only remarks I wish to make.

Considering the social turmoil, the social tragedy we are now going through, the social stresses we are witnessing, it is high time that people in public life had the decency to be true to their word and fulfill their commitments.

And the second thing I would like to emphasize, Madam Speaker, is the obvious social drama, and I think everyone will agree on that—people who reach the age of 50, 55 and who are threatened by an industrial disease, a heart attack or anything else, or who see their performance decrease even if they are not sick and who are looking foward to 60 in the hope of getting their pension at 60, who are confident to reach 65 but give up hope of ever getting to retirement age.

Madam Speaker, let us think about it for a moment. All members of this House often accept invitations to 50th, 35th wedding anniversaries, and what not. In fact, nearly a whole week is squeezed into two days. When we leave at night after a reception, a great party, who stays behind to pick up everything, dismantle and clean the tables? It is interesting to observe people's behaviour. It is not young people, it is people of 55, 60, whose spouse generally draws the pension but who do not get it because they are not 65.

And because they have an inadequate income to live on, the wife must wash dishes at those receptions, dancing or other parties, anniversaries, weddings, to try and make a little more money to live on.

I say, Madam Speaker, that it is time for us Canadians to have not only enough heart, but enough openness of mind to recognize that people who have reached the age of 55 are economically speaking those most vulnerable in our economy; they are the first ones to be laid off, the ones most likely to fall sick and the ones most irregular in the working world.

That is, and I quite agree with the hon. member for Wellington (Mr. Maine), experienced labour, valuable labour, labour that wants to work, and I hope that one day the young will try to imitate older workers—that would surely improve the current working environment. The fact still remains, Madam Speaker, that those 60 years of age are precisely the group of people who have reached a critical standard of living, and I think that the first duty of this parliament, this majority government which has the capacity, the financial means and which undertook to accomplish it, since that is unanimously recognized in this House, is to grant the pension at 60 to anyone who has reached that age, so that we can not only help those people but also make sure that they have a decent old age with security.

In another connection, the motion of the hon. member for Winnipeg North Centre (Mr. Knowles) calls for increased benefit payments. Of course, Madam Speaker, I did not calculate the effects of that, but it is obvious that in theory one can only be in favour of such an increase. When one fills out, as I often do at my office in Victoriaville, guaranteed income supplement applications, one realizes very often that because someone managed to get a little job to increase his pension it is reduced.

I will give you a typical example, and conclude on that. How many cases I got at my office every week the Lord brings! A man came to see me and told me that his old age pension is inadequate to live on. Then, in discussing with him in a friendly way, I learned that he found a temporary and part-time job with the school board to have the children cross the street and avoid unfortunate accidents. He thus earns an income during the week, the month or the year, but owing to a few other sources of income, his guaranteed income supplement is reduced.

I heard a while ago the argument raised by the hon. member for Wellington (Mr. Maine) who stated that many individuals between 60 and 65 years of age still want to work. Well, Madam Speaker, I think that is true and if we agree with that objective, the old age pension should be granted at 60 years of age, the present rates should be raised to enable those who are still healthy and who wish to have additional work even if they are pensioned, to keep busy and do something they like.

It is a wonderful thing for a person of 60 or 67 years of age to help children across the streets, to work, and chat as friends do, on a daily basis, with children of kindergarten, primary and elementary age. That is absolutely extraordinary. It is the meeting of the elders of the country with those who will build tomorrow. But because a person does so, the guaranteed income supplement is reduced; and that because our scales work on a "cent" basis; truly, those who would help themselves are being punished.

Madam Speaker, I feel we should be moved by a positive spirit in dealing with that legislation, and that we should, as one man, ask the Minister of National Health and Welfare (Mr. Lalonde) to see to it that all those who reach the age of 60 are not only encouraged to continue working but are guaranteed financial security; then, instead of looking as if we want to get rid of them, we will show them that we want to keep them within the ranks of our society. After all, they are the ones who built our country. If today's youth did as much as our fathers to build that country of ours, we would not have to worry about its future.

Mr. Béchard: I would like to correct a slight mistake I have just made, in all honesty towards the Progressive Conservative Party and the hon. member for Winnipeg South Centre (Mr. McKenzie). One of the most senior members in this House, the hon. member for Winnipeg

North Centre (Mr. Knowles), has just advised me of this mistake. It is not—

[*English*]

The figure I mentioned ought not to be $16, but $19. On the other hand, the Conservative party did not give one red cent in family allowances.

● (1650)

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Ottawa-Vanier.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I think all hon. members in this House would like to discuss this very important question. Unfortunately, we will not have enough time. However, it is a little unfortunate to note that important subjects such as pension and the lowering of pensionable age cannot be debated, which would enable all hon. members to give their opinions. This subject is both important and complicated. However, it is not as simple as some hon. members claim.

There are ramifications to the motion of the hon. member for Winnipeg North Centre which need readjusting, I think.

[*English*]

When the Canada Pension Plan was introduced in 1965, age 70 was retained as the eligible age, but provision was made for a gradual reduction over a five-year period to 65. Entitlement to benefits before the age of 70 was made provisional on retirement from employment. This reduction was extended to the universal old age security pension without the retirement test.

I find the recommendation in this motion that those who would be entitled to the pension would have to be out of the work market hard to accept. It goes against my personal feelings with regard to the old age security pension. As far as I am concerned, it also goes against the grain with regard to the guaranteed income supplement.

In 1965 when the government announced its intention to proceed with the Canada Assistance Plan, whereby the federal and provincial governments would share the cost of the social assistance program, administered by the provinces, assistance was to be made available on the determination of need. At the same time the old age assistance provisions for persons between 65 and 70 were to be phased out with the gradual lowering of the eligible age for the universal pensions.

For old age security pensioners with little or no other income, it was proposed that a program of supplementary payments based on an income test should be adopted. Legislation was introduced to bring the guaranteed income supplement into effect in January, 1967.

Expenditures on public pensions increased rapidly over this period under the combined impact of the progressive reduction of the age of eligibility, the introduction of the guaranteed income supplement, and the increases resulting from the escalation of benefits annually on the basis of a pension index related to the cost of living.

The adoption in 1972 of escalation based on the full increase in the cost of living, and in 1973 a quarterly escalation of benefits, added considerably to the expansion of costs. Expenditures in old age security and the guaranteed income supplement increased from just over $1 billion in 1965-66 to more than $3 billion in 1973-74.

The present proposal is to reduce the eligible age of old age security to 60, subject to retirement from the labour market. This gives rise, as I said before, to several questions. I think the hon. member for Wellington (Mr. Maine) referred to a few of them.

I think particularly of the fact that we would be giving an example to the private sector in establishing age 60 as the normal retirement age. I think of the pride in Canada and our economy, of experience, qualified expertise, and people who have contributed immensely to the economy of this country.

One argument that can be made in favour of early retirement is that it will open job opportunities for younger workers. However, this would not necessarily follow. Retired persons may simply move into other employment. Some jobs may disappear through attrition, and vacancies would be fewer than expected. The trend toward an earlier compulsory retirement date could affect productivity by removing skilled workers from the labour force at a time when they are most productive and most needed. The increased cost to employers in paying retirement pensions would have to be paid by the consumers through increased prices.

The additional expense of reducing the old age security age to 60 has been estimated at between $1.2 billion and $1.7 billion at current rates. Increased costs of this magnitude over and above the current expenditure of $3.5 billion would undoubtedly lead to an increase in taxation. The imposition of a greater burden on Canadians in general must be weighed against the merits of providing additional benefits from one particular segment of society to another.

In addition to lowering the age to 60, the hon. member for Winnipeg North Centre suggests that the Canada Pension Plan retirement benefit would once again be conditional on an earnings test or for all retired pensioners. Hon. members will recall that these tests were eliminated recently under the Canada Pension Plan amendments. I doubt whether retired pensioners would appreciate the resumption of such tests. In my constituency, according to correspondence I receive—

Mr. Knowles (Winnipeg North Centre): Madam Speaker, will the hon. member permit a question?

Mr. Gauthier (Ottawa-Vanier): Yes, Madam Speaker.

Mr. Knowles (Winnipeg North Centre): Does the hon. member not realize that it specifically says in my motion that this applies only between the ages of 60 and 65?

Mr. Gauthier (Ottawa-Vanier): I realize that, but it also says "who are not in or are prepared to withdraw from the labour market". This is what I am trying to get at.

Mr. Knowles (Winnipeg North Centre): Go on to the phrase "to everyone at age 65".

Old Age Security

Mr. Gauthier (Ottawa-Vanier): The motion reads:

—withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market—

I do not read anything into that.

Mr. Knowles (Winnipeg North Centre): Read the next four or five words.

Mr. Gauthier (Ottawa-Vanier): It reads "and to everyone at age 65".

Mr. Knowles (Winnipeg North Centre): Precisely. "To everyone".

Mr. Gauthier (Ottawa-Vanier): I see, but this is debate.

[*Translation*]

The Acting Speaker (Mrs. Morin): Order, please. Before pointing out to the hon. member that it is now five o'clock, I take the liberty of reminding him that he must at all times address his remarks to the Chair and not to the members of the opposition.

The hour for the consideration of private members' business has expired.

It being five o'clock, the House stands adjourned until Monday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 2, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

POST OFFICE

ISSUE OF STAMP TO COMMEMORATE MR. ALPHONSE DESJARDINS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to submit an extremely important motion.

Considering that the late Commander Alphonse Desjardins was an official French-language stenographer at the House of Commons for a quarter of a century;

Considering that in addition to numerous other achievements, he was the founder of the first caisse populaire in Quebec and in Canada;

Considering that Quebecers are especially proud of so great a Canadian, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House congratulate the Postmaster General of Canada for having authorized the issue of a postage stamp to commemorate so great a Canadian, and that this House express its wishes that his work continue to prosper throughout all of Canada.

Mr. Speaker: Order. The House has heard the motion submitted by the hon. member. Pursuant to Standing Order 43, such a motion requires unanimous consent of the House. Is such consent granted?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent, so the motion cannot be submitted.

* * *

● (1410)

[*English*]

INDIAN AFFAIRS

SUGGESTED WITHDRAWAL OF PROGRAM CIRCULAR D-1 PENDING REVIEW BY STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity. In view of the fact that a number of statements made in the Department of Indian Affairs and Northern Development program circular D-1 places Canada's status Indians in a non-workable economic position, and since in a letter to native peoples from the assistant deputy minister of Indian and Eskimo Affairs it is stated that the conditions are "non-negotiable" and that "these terms and conditions remain mandatory", I would, therefore, move, seconded by the hon. member for Lambton-Kent (Mr. Holmes):

That this House instruct the minister in charge of Indian Affairs to retract, in full, the implementation of program circular D-1 until this matter can be fully reviewed by the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

LABOUR CONDITIONS

EFFECT OF STRIKE OF LONGSHOREMEN IN QUEBEC ON FEED GRAIN SUPPLY—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, pursuant to the provisions of Standing Order 43, I ask the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Since Montreal longshoremen have once again gone on strike and the port in this city is consequently closed, that as a result of the strike, grain delivery is partially disrupted which causes considerable harm to Quebec producers, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House consider without delay the measures to take for the immediate return to work of the Montreal longshoremen to bring back to normal the operation of the Montreal harbour.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Oral Questions

[*English*]

FINANCE

SUGGESTION MINISTER OF FINANCE ASK BANKS TO EXERCISE RESTRAINT IN IMPOSITION OF SERVICE CHARGES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under Standing Order 43, and it is one to which I believe the Minister of Finance (Mr. Turner) would be happy to agree. I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the Minister of Finance be asked to call on the chartered banks to exercise restraint with respect to the charges they impose on their customers, it being the view of this House that the amounts being charged for deposits, withdrawals and the writing of cheques have got out of hand, and that charges for transfers by customers from one account to another are beyond reason.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—GOVERNMENT ACTION TO SETTLE AND RESTORE REPUTATION OF PORT OF MONTREAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address my question to the Minister of Labour or the Acting Minister of Justice, whichever may be the more appropriate. It refers to the reported withdrawal of their services by longshoremen in Montreal. Has the Minister of Labour verified this situation, and, if the reports are correct that the longshoremen have withdrawn their services and the port is closed down in that sense, what action has the government taken?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I can verify to the Leader of the Official Opposition that it is correct that the longshoremen have withdrawn their services. I am advised that, subject to further amplification by the Solicitor General, appropriate legal remedies are now being looked into with a view to their institution.

Mr. Stanfield: Mr. Speaker, I would ask the Solicitor General, in his capacity as Acting Minister of Justice in the House, precisely what measures are being taken, whether the government is seeking an injunction as before, and does the minister feel it necessary to gather evidence or, on the other hand, does he feel that the report of the withdrawal of service and the vote not to work would be considered sufficient evidence in this case?

[Mr. Speaker.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have been in contact with the Solicitor General and the Department of Justice on this matter, and I want to tell the House that we are preparing to take certain legal actions, but we are in the process now of gathering information to make those actions possible. At this time I cannot indicate what those specific actions will be. I would expect that by tomorrow I, or one of the ministers, will be able to inform the House in that regard.

Mr. Stanfield: Mr. Speaker, since the right hon. gentleman has volunteered to supply some information, I should like to ask him what additional measures this government has in mind to restore the reputation of Montreal as a world port? I understand that some 14 ships or so were abandoned unserviced in the port, which surely reflects on the port and its usefulness to Canada, particularly following the previous interruptions of service. I would ask the Prime Minister what measures, if any, his government proposes to take to help restore the reputation of Montreal for reliability.

Mr. Trudeau: Well, Mr. Speaker, the hon. gentleman is quite right in indicating the seriousness of the matter so far as the future of the port of Montreal is concerned. We indeed view it as a most serious situation which, beyond the immediate labour problems itself, could have very severe consequence for the harbour and therefore for the city of Montreal itself. Beyond the legal decisions I just referred to in reply to the previous question, I am trying to ensure that the responsible authorities in Quebec, and indeed public opinion itself, understand the seriousness of the situation and that we will have very strong public support in whatever action we take.

GOVERNMENT ACTION TO AVOID STRIKES WHICH DISRUPT GRAIN TRAFFIC—MEASURES TO PROTECT PRODUCERS FROM FINANCIAL LOSS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary for the Minister of Labour. In view of the statements made over the weekend by two leading delegates of the Japanese flour milling industry that Canada's prominence as a grain exporter is severely threatened by lengthy strikes which disrupt grain traffic, I should like to ask the minister if he is in a position to advise the House of what specific action the government is considering to alleviate those costly disruptions in this very important industry. I ask this question given the fact that the grain movement can be disrupted by any one of the more than 30 unions involved in the movement of grain.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the hon. member may be aware of discussions initiated at the last presentation of the CLC to the government when there was discussion between the Prime Minister and the CLC with reference to consolidation of certain bargaining units. This discussion having been carried on, there are indications that it is possible that management and labour will get together in an effort to resolve matters of this kind, particularly in respect of the grain industry. The hon. member may have noticed, and the opposition referred to it last week, that the president of the CLC indicated he was looking into this particular area right

now to see whether there could be some consolidation of the bargaining units which would reduce the incidence of work stoppages.

Mr. Mazankowski: I must say, Mr. Speaker, that the minister's statement is rather uncertain. In the interim, while the future of Canada's reputation as a reliable shipper is being severely undermined and while the effect ripples throughout the whole economy, the greatest hardship is imposed upon the producers of grain in that they have lost hundreds of millions of dollars. Could I ask the minister if any consideration is being given to developing ways and means in which the producers of grain may be shieled or insulated from the financial hardships that are caused by these frequently recurring strikes?

Mr. Munro (Hamilton East): Mr. Speaker, I think the most appropriate and positive action that can be taken in a situation such as this is for business and management, together with the government, to come together in an effort to find an appropriate solution. Without that type of co-operative effort I see no permanent solution.

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FINANCE

ALLEGATION EXXON ENGAGES IN PRACTICE OF TRANSFER PRICING—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In light of the information made public in a recent court case involving Imperial Oil reported in the press last Friday which suggested that the supply and pricing of oil imported by Imperial Oil are managed from the headquarters of Exxon Corporation in New York, and that Exxon has engaged extensively in the practice of transfer pricing between its subsidiaries in order to avoid the payment of Canadian taxes, has the government made any plans to modify its oil import compensation scheme to ensure that payments reflect real costs to the companies involved and not costs as disguised by transfer pricing between one company and another.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, as a result of that report I want to consult with my colleague the Minister of Energy, Mines and Resources and my colleague the Minister of National Revenue to see what substance there is in it.

● (1420)

ALLEGATION IMPERIAL OIL OPERATES DUMMY CORPORATION IN BERMUDA TO AVOID PAYMENT OF CANADIAN TAXES—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question for the same minister. In light of the further revelation in the same court case that Imperial Oil has operated a dummy corporation in Bermuda for the purpose of avoiding the payment of Canadian taxes, does the government view this as a problem and, if so, what does it plan to do about it?

Hon. John N. Turner (Minister of Finance): Of course, the administration of the Income Tax Act is the responsibility of my colleague, the Minister of National Revenue. I will be talking to him.

Mr. Broadbent: While agreeing that the administration of the act is the responsibility of another minister, the act itself is the responsibility of the Minister of Finance. I should like to ask him whether the government is concerned about the creation of dummy corporations in Bermuda or elsewhere set up specifically for the purpose of avoiding paying Canadian taxes, and, if so, does the government intend to bring forward legislation to deal with the situation?

Mr. Turner (Ottawa-Carleton): We are concerned but we have a duty to operate on the basis of facts rather than allegations and suppositions. We will look into it.

* * *

[*Translation*]

LABOUR CONDITIONS

REQUEST FOR ESTABLISHMENT OF CANADIAN UNION FOR QUEBEC LONGSHOREMEN

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to address my question to the Minister of Labour.

Since Parliament passed legislation to put a little order in the St. Lawrence ports just over a month ago while the dispute is continuing and since it is increasingly evident that it is to the detriment not only of the Canadian economy but of the Canadian workers as well, will the minister consider the advisability of introducing legislation to promote the establishment of a purely Canadian union, thus enabling Canadian workers to receive orders from Canada and not from union leaders of a foreign country?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, so far as legal remedies being pursued now are concerned, I believe the Prime Minister has fully answered that question a few moments ago. I would advise the hon. member, on information which I just received from the Minister of Agriculture, that there have been no impediments to the grain movement in the province of Quebec.

* * *

INDUSTRY

DECLINE IN PRODUCTIVITY—GOVERNMENT MEASURES TO STIMULATE

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the latest figures show that industrial productivity in Canada has fallen during the present year at the same sharp pace it did during the past two years, is the minister planning in the very near future to announce measures to correct this very serious situation?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, we are experiencing exactly the same situation as the United States, something which occurs periodically in the phases of business. The business cycle in Canada peaked last year and our productivity declined accordingly. I expect our productivity to start to pick up in the next few months.

Mr. Hees: Is it the view of the minister that if other industrial countries happen to be experiencing—

Mr. Turner (Ottawa-Carleton): That is argumentative, George.

Mr. Hees: —industrial troubles at the same time as we are, this makes it impossible for Canada to even consider doing something on its own?

Mr. Gillespie: On the contrary, Mr. Speaker. As the hon. member knows, we have a large array of programs aimed at assisting Canadian industry to improve its productivity. I recited a number of these in the debate in the House last week. I can assure the hon. member that we will continue to offer these incentives to the Canadian enterprise system unrelentlessly.

Mr. Hees: I have a final supplementary question, Mr. Speaker. In view of the fact that industrial productivity has been declining sharply despite the programs which the minister has recited on so many occasions, is the minister not convinced that the time has now arrived to bring in innovative measures and stop pretending that everything is all right and that "business as usual" is satisfactory to his department?

Mr. Gillespie: Mr. Speaker, I would be the last one to suggest that we should carry on a business as usual basis. I would agree with the hon. member that there is a large section of Canadian industry which is being hurt. It is being hurt because our customers are not able to import on the same basis as they did before. Their economies are not as strong as they were and not as strong, relatively, as the Canadian economy.

Mr. Hees: And the minister is not as strong as he should be.

Mr. Gillespie: Let me assure the hon. member that we will maintain our onward thrust in trade programs, in industrial programs and in incentive programs.

Mr. Hees: And keep on failing and failing and failing.

* * *

OLYMPIC GAMES

POSSIBILITY OF DIRECT FEDERAL AID—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the President of the Treasury Board. Because of the fact that revenue from the Olympic coin program for the last six months to March 31 totalled a mere $1.5 million, at which rate less than one eighth of the expected $250 million will be realized by 1976, and acknowledging the fact that the cabinet will indeed introduce legislation permitting the minting of gold coins even at this late date, which may help the situation somewhat but certainly not enough, could it therefore be taken for granted that the government will not subsidize Montreal directly or indirectly other than through the coin—that is, both silver and gold coins—and stamp programs?

[*Translation*]

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, the government policy regarding the Olympic Games is well known. We have helped Montreal and the province of Quebec through the programs mentioned by the hon. member, but it is not the government's intention to finance them otherwise than by the self-financing program.

[*English*]

POSSIBILITY SEIGNIORAGE ON ALL COINS WILL GO TO OLYMPIC COMMITTEE—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): I have a supplementary question for the Postmaster General. With planning under way at the Canadian Mint for the minting of all Canadian coins, such as nickels, dimes, quarters and others, to bear the Olympic logo, and with reports that the seigniorage from all these coins is to go to the Olympic Committee and not the Consolidated Revenue Fund where it belongs, could the minister on behalf of the government come clean with the Canadian public and tell this House that this will not be the case, or can it be assumed that a direct grant, which this can be taken for, will in fact be forthcoming through this means? I wish the government would stop trying to fool the public in this regard.

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, in answer to the hon. member's question, it would be preferable if his premise were accurate. There is no intention of diverting the regular seigniorage, which normally goes to the Canadian public through the Consolidated Revenue Fund, to the Olympic next year. I did read press reports about the possibility of there being abnormal high seigniorage due to the staging of the Olympics in Canada. That could be legitimately considered as part of the coin program, but as I said and as my colleague beside me said, there have been no firm decisions even on the gold coin at the present moment, so I think the question is based on an inaccurate premise. I can only repeat that if, theoretically, we were to consider the seigniorage route, then we would make it amply and abundantly clear that the normal seigniorage would not be diverted to financing the Olympics or helping it to meet any deficit, if one occurs.

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EXTERNAL AFFAIRS

POSSIBILITY OF INCREASING CANADA'S CONTRIBUTION TO NATO—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Prime Minister. In view of the right hon. gentleman's statement in which he pledged to main-

tain a NATO force level which is accepted by our allies as being adequate in size and effective in character, when does he plan to increase Canada's contribution, since our allies in general, and U.S. Defence Secretary Schlesinger in particular, feel that Canada's contribution is inadequate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be making a statement on the subject later. Perhaps the hon. member would prefer to hold his question until then. I will certainly deal with this and other aspects of the NATO meetings.

Mr. McKinnon: Mr. Speaker, I have already read the right hon. gentleman's statement, and it does not answer the question I had in mind.

Mr. Speaker: The right hon. Prime Minister has indicated that he proposes to make a statement later this day. The subject should surely rest until then.

* * *

● (1430)

AGRICULTURE

CANADIAN EGG MARKETING AGENCY—REQUEST FOR REPORT ON SUPPLY-MANAGEMENT PROGRAM

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of Agriculture. Last Tuesday in response to my question the minister informed the House that he was to get a report late on Tuesday regarding the Canadian Egg Marketing Agency's attempt to get its supply-management program in proper order. Would the minister take time today to tell the House the general nature of the report he received last Tuesday?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I received the report on Friday. After discussing it with my officials and the National Farm Products Marketing Council, we decided to call a meeting of the provincial ministers and signatories as soon as possible to go over the final position of the proposed agreement.

Mr. Jarvis: A supplementary question. Is the minister telling the House today that despite the optimistic reports received by him earlier last month, the agency has unfortunately not solved this one aspect of its problem, that is, the supply-management aspect?

Mr. Whelan: No, Mr. Speaker. I think if I were to say any more about the agreement before it is signed it would be that I am very optimistic that they are getting their house in order even better than I thought they were, and better than a lot of hon. members were aware. They have the problem under better control than it was before it seems to me, but there are some areas that need to be discussed further. We feel we can do that more quickly by bringing them all to Ottawa and discussing it here.

Mr. Jarvis: A further supplementary, Mr. Speaker. Last Tuesday in reply to a question from the hon. member for Vegreville the minister indicated that he would check his records to determine which provinces have not been able to bring their numbers of birds into line. Has the minister had an opportunity to check the records and is he in a position to tell the House which, if any, provinces have been unsuccessful in bringing their numbers into proper order?

Mr. Whelan: Mr. Speaker, I do not think any province has been unsuccessful. Some provinces have been more successful than others.

* * *

INDUSTRY

EFFECT OF FOREIGN COMPETITION ON MANUFACTURERS OF HOME ENTERTAINMENT PRODUCTS—GOVERNMENT ACTION

Mr. Frank Maine (Wellington): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that RCA Limited plans to divest itself of two of its five Ontario manufacturing plants by no later than the end of this year, and that other manufacturers of home entertainment products such as Canada Cabinet and Furniture are also seriously suffering from competition from foreign manufacturers, will the minister consider reviewing the situation in the hope of finding a solution to this important problem?

Mr. Hees: Just tell him everything is fine the way you usually do. It is the cycle—the fault of the United States—the weather.

An hon. Member: Read the brochure.

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, may we have order. I can understand that the opposition would not be interested in the question; they did not ask it.

Some hon. Members: Hear, hear!

Mr. Hees: How about the one he asked on Thursday?

Mr. Gillespie: Mr. Speaker, there are some concerned people on our side who are interested in policies which will deal with real problems—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Gillespie: —and who are not just interested in tomorrow's headlines.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, I met with the representatives of that industry a short while ago with the hon. member present—

Some hon. Members: Oh, oh!

Mr. Hees: So it is a set up question.

Mr. Gillespie: —and with a number of other members of the House, Mr. Speaker—

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

An hon. Member: Talk about headline hunting!

* * *

IMMIGRATION

POSSIBILITY MR. TAN DOI NGUYEN SEEKING ENTRY TO CANADA—SUGGESTION BACKGROUND OF ALL VIETNAMESE REFUGEES BE CHECKED

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the report that a Mr. Tan Doi Nguyen, a former South Vietnamese banker was in Saigon jail as late as April 14 on charges of fraud and narcotics smuggling and now has reportedly reapplied or is seeking re-entry into Canada, has the minister conducted an investigation into this man's activities or can he assure the House that he will conduct such an investigation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are looking into all these allegations. When we have a clear picture on any of them that are pertinent we will be glad to give the information to the hon. member.

Mr. Blackburn: Mr. Speaker, a supplementary. In view of the reports that a Mr. Trang Shi Tan a former chief of the special branch of the Saigon police, among other top Saigon officials, wishes to seek entry into Canada and in view of the fact that a Mr. Cochrane who reportedly worked closely while in Saigon with the chief of covert CIA activities in Viet Nam, a Colonel Lonsdale, is now the United States consul in Montreal, I must ask the minister to consider conducting a thorough and public investigation into the backgrounds of all South Vietnamese who seek entry into Canada and who held sensitive government or business posts in Saigon before the last regime?

Mr. Andras: Mr. Speaker, we will take the necessary precautions to protect the national interest. I want to say, however, that the nature of refugee movements is such that we have to operate without the total formalities that we do in ordinarily checking admission to Canada of people who apply for resident status. That is the nature of the movement. We are doing our best to ensure that the national interest is protected but there are risks to be taken in every refugee movement. I know of none that we have been involved in since the Hungarian refugee movement which did not have some cases which gave us difficulty. It is a question of doing our best under these circumstances.

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MANPOWER

UNEMPLOYMENT—GOVERNMENT MEASURES TO COUNTERACT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, a question for the Minister of Manpower and Immigration. In view of the fact that the minister's recent statement indicated that this year would show one of the highest unemployment figures that we have seen, is he contemplating some imaginative steps to ensure that the vast numbers of people seeking jobs this year will be accommodated and will he be making an announcement in this regard?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have indicated, as have some of my colleagues, that we are conscious of and concerned about the level of unemployment this country faces in light of general international economic problems. We are now looking at the various options open to us.

ALLEGED DISSATISFACTION WITH SERVICES OF MANPOWER CENTRES

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question on the same theme, Mr. Speaker. I am sure the minister is aware of two recent surveys of the business community, one in Vancouver and one in Montreal. Some 60 per cent of firms surveyed in Montreal were not satisfied with the services of Manpower centres and some 49 per cent of the firms surveyed in Vancouver were not satisfied.

Mr. Guay (St. Boniface): Question.

Mr. Alexander: I will get to the question, Joe. Is the minister going to look into these surveys and see to it that Manpower services are made to work? It is common knowledge that they are not working in terms of acquiring the jobs and the employees required by employers.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I hope the hon. member is just as diligent in bringing forth for hon. members of the House the complimentary comments made about the service.

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REGIONAL ECONOMIC EXPANSION

DATE OF COMMENCEMENT OF FUNDY TIDAL POWER STUDIES

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Can the minister advise the House when the first of the five phase Fundy tidal power studies will commence?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have initiated some inquiries about this. The hon. member asked about it the other day. Unfortunately, I do not have the answers yet but I will get them as soon as I can.

IMMIGRATION

TRIPS OF MR. RICHARD DICERNI AND MR. DANIEL COATES—INQUIRY AS TO MINISTER'S AUTHORIZATION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, a question for the Minister of Manpower and Immigration. Can the minister advise whether the interesting and extensive trips of Mr. Richard Dicerni and those of Mr. Daniel Coates taken at public expense during the period these gentlemen served on the minister's personal staff, were taken with the minister's knowledge and authorization?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe that question was on the order paper and answered.

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NATIONAL ENERGY BOARD

MACKENZIE VALLEY PIPELINE HEARINGS—POSSIBILITY OF PRESENTATION OF GOVERNMENT BRIEF

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the fact that the National Energy Board has scheduled preliminary hearings on the Mackenzie Valley pipeline on July 8, 9 and 10, will the Prime Minister please inform the House whether the government is contemplating or has the intention of presenting a statement or brief to the board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of the question on behalf of the Minister of Energy, Mines and Resources.

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FINANCE

POSSIBLE IMPOSITION OF TAX ON IMPORTED ELECTRONIC COMPONENTS—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question for the Minister of Finance which is supplementary to that asked by the hon. member for Wellington. Representations were made in the House by the hon. member for Vancouver South on January 27 and February 6 and a letter was sent to the Minister of Finance on February 17 inquiring whether there would be any relief under the provisions of Bill C-172 of the twenty-ninth parliament that would allow electronic components to be taxed rather than coming into Canada dutyfree and thus save jobs in the RCA plants in Renfrew and Owen Sound. Has the minister, further to the reply of April 8 in which he indicated he was considering the matter, given it further consideration, and will he take action?

● (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have nothing to add to the letter, except to say that the problem may not lie particularly with the tariff.

REQUEST FOR REPORT OF ANTI-DUMPING TRIBUNAL ON ELECTRONICS INDUSTRY

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I ask a supplementary question. I am sorry I was not at the meeting this morning when the sheet music was handed out. Can the Minister of Finance tell the House if the proceedings before the anti-dumping tribunal which were announced by the Minister of National Revenue some time ago with respect to the electronics industry are still under way and if a report will soon be available to the House and the country on this distressed industry.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that question is important enough to warrant giving the hon. gentleman a detailed answer on another occasion.

* * *

[*Translation*]

INCOME TAX

REQUEST FOR INQUIRY INTO DEALERS IN CARRION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the Minister of National Revenue being absent, I shall address my question to the right hon. Prime Minister.

Upon his return to Canada, he was doubtless advised of the inquiry into organized crime in Quebec, especially with regard to the sale of carrion. Can he assure the House that the Department of National Revenue will look into the income tax of the dealers in carrion to make sure that all taxes were paid on the income involved which, in some cases, amounted to as much as $25 million?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will be happy to take note of that question on behalf of the Minister of National Revenue.

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IMMIGRATION

OVERPAYMENTS TO UGANDAN REFUGEES—SUGGESTED ACTION TO RECOVER

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Minister of Manpower and Immigration. As $188,500 of the total of $824,000 paid to Ugandan refugees represents overpayments made because of misrepresentation or fraud, and as two of the recipients of the money were able to purchase a motel in British Columbia costing $127,000, will the minister conduct a ministerial or judicial inquiry to establish ways and means to ensure the recovery of such overpayment?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I believe that is standard procedure, but I will look into the matter.

While I am on my feet, Mr. Speaker, may I say that I may have inadvertently misled the House in the sense that I said to the hon. member for Hamilton-Wentworth that

the answer to his question on the order paper had been given. Actually, that answer is in course of preparation.

POSSIBILITY OF FINANCIAL ASSISTANCE TO GENERAL QUANG

Mr. Gordon Towers (Red Deer): A supplementary question, Mr. Speaker. As the Ugandan refugee payments were made under the Immigration Adjustment Assistance Program, can the minister inform this House if General Quang, who is also a refugee and about whom the hon. member for Esquimalt-Saanich asked questions last week, received any financial assistance under such a program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the answer is that he has not.

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IMMIGRATION

TRIPS OF MR. RICHARD DICERNI AND MR. DANIEL COATES—INQUIRY AS TO MINISTER'S AUTHORIZATION

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, may I return to the Minister of Manpower and Immigration who set the record straight? Since the question I asked did not appear directly on the order paper, those questions having taken three months to be answered, may I ask the minister directly if he authorized the expenditure of public funds for the extensive trips taken by the two members concerned on his personal staff?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, of course I have authorized trips taken by members of my staff, in the same way as every other minister in this House and of other governments has. The details will be available to the hon. member when the question is answered. I have not seen the answer myself yet.

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POST OFFICE

REFERENCE TO EPIDEMIC OF MACKASEY 'FLU

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question could have been directed to the Minister of National Health and Welfare. However, to begin the week right, I will address it to the Postmaster General. It is about the recent epidemic of Mackasey 'flu which assumed its most virulent form in Montreal. Is it connected with tainted meat, how is it spread and what efforts are being made to provide immunity to the general public?

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

[Mr. Andras.]

EXTERNAL AFFAIRS

REJECTION BY SOUTH AFRICA OF UNITED NATIONS' ORDER TO END ADMINISTRATION OF NAMIBIA—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. As the time limit given to South Africa by the Security Council of the United Nations to end the illegal administration of South West Africa, now known as Namibia, has expired with a rejection by South Africa, what action does the government of Canada contemplate in order to induce South Africa to respect and accept the decisions of the United Nations?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I understand that the question of Namibia and the United Nations deadline is still before the Security Council. Once the Security Council deals with the question of the deadline and with the question of mandatory sanctions, it will be possible for the government of Canada to take note of that situation. In the meantime, we cannot take much action because the matter is before the Security Council.

OPERATIONS OF FALCONBRIDGE NICKEL COMPANY IN NAMIBIA—SUGGESTED ACTION TO END TAX CONCESSIONS

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. As Falconbridge Nickel Company, or some of its subsidiaries, are continuing to operate under the illegal authority of the government of South Africa in Namibia, and as Canadian tax concessions are being made to those companies which are operating without the consent of the legal authority, the Commissioner of the United Nations, what steps is the Canadian government taking to end such tax concessions and to require such companies to desist from all activities in Namibia not legally authorized?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I am not in a position to advise the hon. member in detail on the matter of tax concessions. In general, a number of departments of the government of Canada have been giving attention to the question of Canadian companies operating in Namibia. Of course, there is no way under Canadian law by which the government can force any mode of conduct on business operations of Canadian subsidiaries in other countries. Furthermore, as the hon. member knows, it is a principle of government policy not to interfere in the operations of Canadian companies abroad.

In a more general way the Canadian government, of course, does not recognize the authority of South Africa over Namibia. We have recognized the authority of the United Nations Commissioner and we regard the present situation as illegal. Corporations or subsidiaries operating in Namibia do so at their own risk and initiative. If they should be subject to nationalization or confiscation in Namibia, the government position would obviously accord with the acknowledgement that they are operating on their own initiative and at their own risk.

POSSIBILITY OF PROTEST TO FRANCE OVER RESUMPTION OF NUCLEAR TESTING

Mr. James Gillies (Don Valley): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs. On May 26 I asked the Acting Prime Minister if the government of Canada plans to make a protest to the government of France over the resumption of nuclear testing. The Acting Prime Minister said he would make inquiries. Can the Secretary of State for External Affairs tell the House if the government will make a protest to the government of France against the resumption of nuclear testing.

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, at the recent NPT conference in Geneva, the position of the Canadian government was made known on all forms of nuclear testing. At present, no protest along the lines suggested has been made directly to the government of France.

Mr. Gillies: A supplementary question, Mr. Speaker. Is it the position of the government of Canada that the resumption of nuclear testing does not deserve a protest on its part?

Mr. MacEachen: Mr. Speaker, the position of the government of Canada on this question has been made clear frequently, and just recently at the conference in Geneva. That is the position. Its importance is very great indeed.

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VETERANS AFFAIRS

COMMITTEE RECOMMENDATION TO ADD REHABILITATION PROJECTS TO HOUSING PROGRAM—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs. Following the unanimous recommendation of the Standing Committee on Veterans Affairs to the effect that minister should consider adding rehabilitation projects to the recently announced veterans housing program, has the minister reached any decision in consultation with his counterparts and, if so, what is that decision?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, as the hon. member knows, the veterans housing program was announced just a short while ago. We feel it will be beneficial to community groups, which have made representations, and to individual veterans. As I told the committee, I will be looking into the requests hon. members presented to the Veterans Affairs Committee and I will do that as soon as possible.

● (1450)

Mr. Marshall: Since many veterans will be denied the advantage of maintaining or upgrading their homes under the rehabilitation clause of the National Housing Act because they live outside the areas the provinces will designate, would the minister think seriously about this matter so that thousands of veterans living on fixed incomes who cannot afford to bring their homes up to a reasonable standard may obtain the benefit of this provision?

Mr. MacDonald (Cardigan): Mr. Speaker, the answer is, yes. We shall certainly give them every consideration.

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TRANSPORT

SUGGESTION GRAIN SHIPMENTS BE DIRECTED TO CHURCHILL RATHER THAN MONTREAL

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. In the light of constant labour problems at the Port of Montreal, will the minister take the necessary measures to direct increasing grain shipments to the Port of Churchill, which is not strike-prone, so that grain shipments will not be constantly help up?

Hon. Jean Marchand (Minister of Transport): I believe the ship owners decide which ports to use.

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EXTERNAL AFFAIRS

GOVERNMENT ACTION THROUGH INTERNATIONAL ORGANIZATIONS TO PROTECT WHALES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the fact that 15,000 Canadians showed their support for the Green Peace Foundation by attending the send-off last month in my constituency of the latest Green Peace ship, this one protesting the near extinction of whales, and in view of the fact that Canada says it has done everything in its power domestically to preserve the whale population, may I ask what action on a world community basis the government plans to take to stop whaling by other countries in order that the whale population may have a chance to regenerate?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): I take note of the hon. members's question and I wish to inform him that Canada has been associating itself with international efforts to protect all species of whales. We have undertaken internationally to pursue this course along the lines of the representation made by the hon. member.

* * *

EXPORT DEVELOPMENT CORPORATION

REQUEST FOR REPORT ON ACTION TO ELIMINATE CLAUSE BOYCOTTING ISRAEL

Mr. Peter Bawden (Calgary South): Mr. Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. On May 8, the hon. gentleman stated in this House that the board of directors of the Export Development Corporation would be meeting the following week to consider its practices relating the EDC involve-

ment with export companies which have agreed to boycott Israel. Will the minister tell us whether as a result of this meeting any firm policy was agreed upon and has he now issued a directive in writing covering this important matter?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The board did review its policies and confirmed that it will not negotiate any contract which involved direct lending with respect to agreements containing an Arab boycott clause; it would not insure any investment involving an Arab boycott clause and with respect to insurance policies it would not insure a boycott clause within such a policy. This position has been made known to me and I am considering it together with other questions at the present time.

Mr. Bawden: Can the minister give the House a complete assurance that he will be issuing directives in writing to his department and to the EDC so that there may be no question about the policies being followed?

Mr. Gillespie: I think the government as a whole will be considering this matter in the very near future. The view of the government will be communicated, of course, to all departments and to the Crown corporation.

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CONSUMER AFFAIRS

SHORTAGE OF MASON JAR LIDS IN BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, may I address a question to the Minister of Consumer and Corporate Affairs? It arises from the answer given by the hon. gentleman in reply to a question by the hon. member for Okanagan-Kootenay with regard to wide-mouth Mason jar lids. I quote: "I may remind the hon. member that one of the reasons for such a shortage was a strike in the company manufacturing these products in British Columbia." In view of the fact that there are no manufacturers of wide-mouth Mason jar lids in British Columbia, I ask the minister what he is doing about this shortage which is just as acute now as it was last year. When does the government intend to take this problem seriously?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to remind the hon. member that he is quite new in this record because discussions have been going on for months between the officials of my department, Canadian manufacturers and American manufacturers in order to encourage them to increase their production to meet demand, particularly in British Columbia. Officials of my department met manufacturers of British Columbia just for this reason. We are constantly in contact with provincial authorities to ensure that, as far as possible, there are enough products to meet demand.

[*English*]

AGRICULTURE

UNITED STATES QUOTAS ON BEEF—REQUEST FOR PROGRESS REPORT ON GOVERNMENT ACTION TO ELIMINATE

Mr. Gordon Ritchie (Dauphin): A question for the Minister of Agriculture, Mr. Speaker. What progress has the government been making in its attempts to have United States quotas on beef lifted? What progress has been made in working out a solution satisfactory to both sides to end this dispute?

Hon. E. F. Whelan (Minister of Agriculture): I think some progress has been made, but the discussions have not yet been completed.

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NATIONAL ENERGY BOARD

MACKENZIE VALLEY PIPELINE HEARINGS—REQUEST FOR ASSURANCE THOSE OPPOSED TO PIPELINE WILL BE GIVEN HEARING

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I have a question for the Prime Minister; it relates to the Mackenzie Valley pipeline application by Canadian Arctic Gas and by Foothills. Can the right hon. gentleman assure the House that participation in any public hearings or pre-hearings held by the National Energy Board will be open to groups which oppose the construction of the pipeline as well as to representatives of the pipeline companies?

Right Hon. P. E. Trudeau (Prime Minister): Might I ask the parliamentary secretary to the minister to answer that question?

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, the public announcement of these hearings to be held by the Board this fall made it clear that all intervenors can make presentations.

MACKENZIE VALLEY PIPELINE HEARINGS—POSSIBILITY JUSTICE DEPARTMENT WILL PRESENT BRIEF ON PUBLIC INTEREST

Mr. Cyril Symes (Sault Ste. Marie): Perhaps I should direct this question to the Prime Minister. Can the Prime Minister tell us which government departments intend to intervene in the hearings and in particular can he confirm reports that the Department of Justice will be setting out for the benefit of the NEB the Canadian public interest as it is affected by the pipeline proposals?

Mr. Maurice Foster (Parliamentary Secretary to the Minister of Energy, Mines and Resources): I will take notice of the question and get the answer for the hon. member.

THE CANADIAN ECONOMY

ALLEGEDLY CONFLICTING VIEWS OF CABINET MINISTERS ON WHETHER WAGE SETTLEMENTS EXCESSIVE—POSITION OF PRIME MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): A question for the Prime Minister, Mr. Speaker. I wonder whether anyone has brought to his attention the fact that while he was away, the Minister of Labour, speaking in the House last week, referred to "the prevailing myth that wage settlements are running at double the average rise in wages in the United States" and stated they were eroding our competitive advantage over the Americans. Since this directly contradicts what the Prime Minister said at the first ministers' conference in April and is directly contrary to what the Minister of Finance has been saying I wonder if the right hon. gentleman has been able to restore a consensus with regard to this matter in his government since his return.

Right Hon. P. E. Trudeau (Prime Minister): I have not been called upon to restore a consensus. I was under the impression, and I am sure it is a correct one, that both ministers are following the same policy. I will read the speech to which the Leader of the Opposition has referred and if there is anything I can add I will be pleased to do so.

Mr. Stanfield: If the Prime Minister thinks that both ministers are going in the same direction it is not much wonder the country is in trouble.

Some hon. Members: Hear, hear!

Mr. Stanfield: Is he prepared to state publicly in the House this afternoon his support for the position being taken by the Minister of Finance that current wage settlements threaten our competitive advantage over the Americans? Is the Prime Minister prepared to give his support to the position taken by the Minister of Finance or does he prefer to leave him dangling on a string?

Mr. Trudeau: I have said the same thing myself, so certainly I support the Minister of Finance. I am sure the Minister of Labour also supports him.

Some hon. Members: Oh!

An hon. Member: Why don't you read the speech?

Mr. Trudeau: If there are some doubts over there, why not ask the minister concerned—I am sure he supports the Minister of Finance. There may be some disagreement regarding statistics and that often happens, but the policy of the government on financial matters is as stated by the Minister of Finance.

• (1500)

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. FIRTH—ORAL QUESTION ASKED LAST FRIDAY, MAY 30

Mr. Speaker: Order, please. I have notice of some questions of privilege to deal with. I have notice, first, of what ought to be a brief question of privilege by the hon. member for Northwest Territories (Mr. Firth.)

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I rise on a point of privilege concerning my question to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) last Friday, as reported in *Hansard* at page 6276.

During the preamble to my second question I mentioned that certain models of television sets had been banned by the department because they were hazardous. Specifically, I mentioned the brand name Sony. Upon review of the matter I found that I was in error and that Sony products were not placed in the hazardous category. I would like at this time to apologize to the makers of Sony for suggesting they were marketing inferior products, and to the House for placing misleading information on the record.

There was a brand of television set available in northern stores long after it had been banned by the department. However, I will not confuse the issue further by mentioning the name.

MR. DIEFENBAKER—SPEECH OF PRIME MINISTER ON PRIVY COUNCIL ESTIMATES

Mr. Speaker: I have notice of two other questions of privilege. On May 27 the right hon. member for Prince Albert (Mr. Diefenbaker) indicated, by way of certain preliminary remarks, his intention to raise a question of privilege and then to conclude his remarks and put whatever motion might be attached thereto at the first opportunity upon which the right hon. Prime Minister (Mr. Trudeau) was in the House. In addition, I have received further notice from the right hon. member for Prince Albert indicating his intention to do this today.

I have also received notice of a question of privilege from the right hon. Prime Minister concerning those remarks by the right hon. member for Prince Albert. I do not anticipate an easy time sorting out the results of the remarks. Indeed, my difficulty is beginning already in regard to whom I should call on first. However, since the right hon. member for Prince Albert is in the course of his remarks and has indicated that he will continue and conclude them to the point of putting a motion, I think for the sake of neatness, although it is an exception not to call upon the Prime Minister, I should call upon the right hon. member for Prince Albert. As I say, his remarks were commenced at an earlier date and it is appropriate to conclude them and to move whatever motion the right hon. member might want on the record. Then, in turn, I will recognize the Prime Minister. However, I am open to discussion about the order of priority.

Mr. Hees: Seconds out of the ring. Hold on to your hats!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would not want to deprive the House, nor myself, of the privilege of hearing from the right hon. gentleman, but I might make his remarks simpler if I say this. I am, of course, prepared to cede to him right away, but it might make some of his remarks shorter and simpler if I concede at the outset that I did make one mistake of fact. On the question of fish, there is no doubt that the right hon. gentleman was right and I was wrong, but that is as far as I am prepared to go. I do regret that I misled the House in regard to that erroneous statement, and I withdraw it without equivocation. As for the rest, I will gladly cede the floor to the right hon. member.

Mr. Speaker: That clears up the question of the stocking of Harrington Lake, I presume, so far as it pertains to a potential question of privilege. However, it seems to me to leave in the balance a number of other questions that were raised by the right hon. member for Prince Albert. I wonder whether the right hon. member for Prince Albert would want to continue and to conclude his remarks now and put whatever motion he has in mind, following which I propose to recognize the right hon. Prime Minister either in reply to those remarks, or alternatively—or perhaps in addition—allow him to put whatever question of privilege the right hon. Prime Minister wishes to put before the House.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, it is never too late to admit that one was wrong. I accept wholeheartedly the withdrawal of the Prime Minister (Mr. Trudeau) and the suggestion concerning fish.

Mr. Nowlan: He was fishing.

Mr. Diefenbaker: I should like to refer, however, to words that he used in the House concerning the fish. As recorded at page 6010 of *Hansard,* the Prime Minister said:

> The right hon. gentleman for Prince Albert liked fishing and had Harrington Lake stocked at public expense with fish for his enjoyment.

Then he went on to say:

> That was a shameful incident.

Mr. Trudeau: Read the interjection there.

Mr. Diefenbaker: In the dictionary "shameful" means, in effect, disgraceful; subject to shame on the part of the person who committed the wrong; unworthy of consideration in any organization that has regard to truth and honour.

In face of that, I should have liked to hear a withdrawal of the word "shameful", which after all is the essence. Webster's dictionary makes its meaning clear: "conduct that brings to shame; disgraceful, scandalous conduct; injurious conduct that dishonours and offends decency; ignominious conduct". This was the word used by the Prime Minister to describe what he now admits had no basis in fact, and which certainly could not have justified use of that expression.

Some hon. Members: Shameful!

Mr. Diefenbaker: I go on from there, Mr. Speaker. Loose statements are sometimes made in this House in the course of debate and under provocation. Spontaneity ameliorates, if not excuses, a retort that is not fact if it is provoked in debate. But such was not the case with the speech delivered by the Prime Minister on the twenty-second day of this month: it was planned, programmed and premeditated. I am told that he read from a script which he had entirely before him.

He stated during the course of his speech that he has a staff that is honourable, responsible and objective. I know many of the members of that staff and I entirely concur with the Prime Minister's view. It is of interest that since the speech of the Prime Minister the press got in touch with the high officials of his office, or his two offices, and everyone with one accord has said, "I had nothing to do with it; it was somebody else". When the Prime Minister is replying, I wonder whether he would advise who was the inspiration for the various statements that he made which apparently were designed to be a smokescreen.

Certain arrangements had been made between the opposition and the government. Under normal circumstances, on that afternoon the opposition would have led off but arrangements were made whereby, because the Prime Minister was going to leave, he should speak first.

Some hon. Members: That is not so.

Mr. Diefenbaker: If some of the interrupters over there continue, Mr. Speaker, I will have to tell them what the Prime Minister thinks of them. He said of many of the Liberal members that they were bums and nobodies.

● (1510)

Some hon. Members: Oh, oh!

An hon. Member: He was right.

Mr. Diefenbaker: I would not want those hon. gentlemen opposite to prove he was right in that regard. I am informed that the arrangement was made and there was no declaration that the Prime Minister should be restricted to 15 minutes. That is true because he had longer than that; but do not let anybody tell me that what he did was not done with the intent to deprive members of the opposition of the opportunity of questioning him—speaking for an hour and a half, on and on he went.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I do not like to interrupt the right hon. gentleman but, with respect, I would suggest his question of privilege pertains to the Prime Minister's remarks about him specifically and not so much about the Prime Minister's use of time, and I think the hon. member should confine himself to the earlier question.

Mr. Diefenbaker: When the Prime Minister referred to a member of the opposition as fraudulent, apparently the person who occupied your position did not think that was unparliamentary. The Prime Minister made that statement with that disregard he has shown for parliament all through the years. I had expected that we were past the days when those in the opposition should be spoken of in that way. I had thought that we were past the days when the Prime Minister of Canada would speak to the Leader

of the Opposition (Mr. Stanfield), who asked a question, by saying, "What is your God damned question anyway?" That is recorded in *Hansard*, unchanged and unexpurgated. I had expected that we were past the situation in which opposition members were treated in that way.

Some hon. Members: Order, order!

Mr. Diefenbaker: The matter before you is one that concerns the integrity of parliament and the House of Commons. It is one that cannot be justified. I had hoped the Prime Minister would have followed the course he did six years ago when one morning he made a statement that there was no foundation at all for a question I asked concerning a letter, and that afternoon he rose and apologized and said he wished he had taken the admonition of the right hon. member for Prince Albert before denying the existence of the letter. He apologized to the House of Commons and to me. Has he forgotten that?

That would indicate exactly the point I am making. The Prime Minister, by tilting his head just now, has indicated that he has forgotten that, and that is the point I make. He has forgotten so many of the things that constitute parliament and for which parliament stands, and I am not at all surprised that he has forgotten the incident in question.

Parliament demands, on the part of all of us, the assurance that when a statement is made as a fact, it shall be true, unchangeable, and the consequences to follow that statement are the basis of all parliamentary argument. That is the essence of parliament. We do not hold the views of Machiavelli. He did not understand our system because, after all, the British parliamentary system was just being built in those days. He said:

> And a prince will never lack good excuses to colour his bad faith. One could give innumerable modern instances of this, showing how many pacts and promises have been made null and void by the bad faith of princes: those who have known best how to imitate the fox have come off best. But one must know how to colour one's actions and to be a great liar and deceiver. Men are so simple, and so much creatures of circumstance, that the deceiver will always find someone ready to be deceived.

That is not the parliamentary system. That is the idea of a dictatorship in which the dictator speaks. Throughout the years I have formed an admiration for the Prime Minister in many respects but I have never included veracity. I have had an admiration for his adroitness and his parliamentary—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I would like some of those whom the Prime Minister calls non-entities to let us know who they are so they will appear in *Hansard*.

An hon. Member: Stand up, Joe.

Mr. Guay (St. Boniface): I am one of them.

An hon. Member: That's the first one.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a question of privilege. I should like to repeat what I said, for the benefit of the right hon. gentleman. I said, and I quote, "I can take a joke", and that is the end of the quotation.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman proves the truth of his own statement whenever he speaks.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): This is a real farce.

Mr. Diefenbaker: Mr. Speaker, I have restricted my statements in regard to the hon. member for St. Boniface (Mr. Guay) because of the high esteem in which I have always held him.

Mr. Guay (St. Boniface): Thank you.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Returning once again to the circumstances under which these statements were made by the Prime Minister, let me say they were made with utter disregard for the rights of parliament. That speech was intended to be delivered so that no one could answer it. When it was suggested that the opposition should speak first, the Leader of the Opposition, with his characteristic desire to live true to the parliamentary forum, took the stand, which was represented by a member of the opposition who discussed the matter with the House leader, that the Prime Minister should have the first opportunity.

I am not going over the facts, as I dealt with those at length on May 22. I do not know who misled the Prime Minister, but when I have regard for the facts, he seemed so anxious not to have Mr. Pitfield called before the committee or give evidence that I can only conclude that those two men sat down together and asked, "What can we say? What stories can we tell? How can we fill the hour and a half in order to prevent the opposition from speaking?" Under no circumstances would I have Mr. Pitfield give evidence concerning his position as Clerk of the Privy Council.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: For once we are in agreement. What I do object to is that this person is almost in the position of a Damon and Pythias relationship with the Prime Minister. His own staff did not produce this conglomeration of half-truths; it required somebody other than his staff to have brought forth this monstrosity.

● (1520)

I have already dealt with these various items. I shall not repeat what I said. To me they represent an endeavour to destroy a member of this House in respect of his credibility by spreading around, through the mouth of the Prime Minister, allegations that are not true. That is not parliament. The example of that is in the Profumo case. Profumo told parliament he had never been involved with the woman in question. That was not true. It was not because of his extramural activities that he was removed from office. I would have thought the Prime Minister would have kept in mind the case of Profumo and would have realized that to make statements that have no basis or inference in fact constitutes a degradation of the House of Commons and therefore represent a breach of privilege.

There are many works on this subject. Your Honour has them and I shall not quote the various items. I would

refer, however, to Wilding and Laundy's "An Encyclopaedia of Parliament," where at page 597 it states that the rules—

—are concerned only with the protection of the reputation, the character and the good name of the House itself. It is in that respect only and for that limited purpose that they are concerned with imputations against the conduct of individual members.

That, I believe, is the general principle. There is no case in which a libellous statement made against a member of this House or of the British House of Commons has been treated other than as one of privilege, with the opportunity being given for the matter to be fully looked into by a committee of the House of Commons.

These were not loose statements made in the course of debate when one is agitated by the excitement of the debate; nor were they made in consequence of interruption and the like. Those statements were made when a man representing Her Majesty the Queen as First Minister stood up in the House of Commons and made such statements as the Prime Minister did. He is no greater and has no more authority and no more rights than any other member in this House of Commons. That is the essential fact. This is something he apparently has not learned.

Sir, at page 98 of Beauchesne's fourth edition these few words epitomize the conclusions arrived at:

—to constitute a breach of privilege they must concern the character or conduct of members—

It goes on to say, in their various capacities. What did the Prime Minister say? I do not want to requote what I have already placed before the House. The statements he made in connection with Harrington Lake have been construed by him as being true. He described it as the greatest land grab in history. A land grab does not mean the taking over of land by way of rental or otherwise. He referred to 4,800 acres. When he made that statement it was not true, because the only portion that was taken over was some 14 acres.

Some hon. Members: Oh, oh!

An hon. Member: Only!

Mr. Diefenbaker: These hon. gentlemen will qualify ultimately for the view of the Prime Minister if I have to identify them.

That is the answer given by the National Capital Commission. When the prime minister took over, he took over everything out there. That is the situation which prevails. He left the impression, by the words he used, that I had in fact committed a wrong, that I had engaged in a land grab.

I do not have to deal with the other matter, the question of the so-called bomb-shelter. That was supposed to offset, I presume, the wasteful expenditures, the wanton expenditures of the government in purchasing two cars—dreadnoughts, I call them. What did the Prime Minister do? I have the figures from the department concerning the cost of the bomb-shelter, but lately I have found that the Prime Minister has lowered the roof by a couple of feet. I do not know what the purpose was.

An hon. Member: For a wine cellar.

[Mr. Diefenbaker.]

Mr. Diefenbaker: I would remind the Prime Minister of another circumstance which causes me more concern than anything mentioned heretofore. He referred to the most secret place in Canada. It is on the classified list. It has never been removed from that list during the term of three prime ministers. Two and a half years ago the security committee was asked to remove it from the list of things that cannot be given publicity, but this was not done.

Nothing is more serious than for a prime minister or anyone else, or the Privy Council to reveal a situation concerning a highly secret defence installation, as he did the other day. I will not refer to where it is. I will not join with the Prime Minister in identifying something in respect of which he committed an offence against the security of our country. He referred to a matter that has never been freed from its secrecy. He did this the other day in order to show how wasteful the expenditures on my part were in the few hundreds of dollars expended by the Department of Public Works to provide a shelter which was not asked for under any circumstances.

He tried, so far as the shelter is concerned, to compare it with the wanton expenditure around Sussex Street at the Prime Minister's home never before equalled in history. He compared an expenditure of a few hundred dollars with his pool.

Mr. Trudeau: That was a gift.

Mr. Diefenbaker: When he speaks, I will be glad to hear from him. Who were the philanthropists who made possible that pool and were so desirous of helping the country that they first got in touch with the Department of National Revenue to find out whether or not they could deduct whatever the expenditure was in the determination of their income tax? That would be something for him to reveal today. Why does he hide it?

I mentioned all the cases the other day. I pointed out that they do constitute an interference in the rights and privileges of members of the House. A while ago the Prime Minister indicated to me that he did not recall the time when he apologized because, after all, he does not have a very good memory. When you can forget your age, you can forget almost anything.

● (1530)

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Here is the item. On November 28, 1969, the right hon. Prime Minister said:

Mr. Speaker, may I rise on a question of privilege. In reply to questions asked of me this morning by the right hon. member for Prince Albert (Mr. Diefenbaker), asking if I had received a letter from Mr. Saulnier with respect to the activities of the Company of Young Canadians, I replied in the negative. Notwithstanding the admonition of the right hon. gentleman that memories can be faulty, I nevertheless insisted that I knew of no such letter. I added, however, that "if there were such a letter, I would not hide it". Mr. Speaker, I should have heeded the wise counsel of the right hon. gentleman. On examination of my files I find that Mr. Saulnier did indeed write to me on March 17 of this year on this subject. I wish to apologize through you, Mr. Speaker, to the House and to the right hon. member for my erroneous reply. I have taken this earliest opportunity of correcting the record.

All I say to the Prime Minister now is this: Live up to what you did on November 28, 1969, and apologize to the House for a speech which as long as you live will consti-

tute for you something that did not destroy my reputation. The right hon. member will not be able to say the same thing for himself.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I therefore move, seconded by the Leader of the Opposition:

That the slanderous and libellous allegations made by the Prime Minister in a speech made in the committee of the whole House on Thursday, May 22, 1975, against the right hon. member for Prince Albert, particularly the false statements regarding expenditure of public funds alleged to have been made while the said member was the Prime Minister of Canada, be referred to the Standing Committee on Privileges and Elections, and that the said committee be authorized to summon the right hon. Prime Minister as a witness.

Mr. Speaker: Order, please. I have the motion of the right hon. member for Prince Albert. Of course, I will want to consider the matter very carefully and take it into account in coming to a decision. The Prime Minister has already stated his intention to the Chair to raise a question of privilege, or alternatively the floor is open to him for his remarks in reply to the comments of the right hon. member for Prince Albert.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the point of privilege I had to raise was raised in a few seconds at the outset and I will not speak any more on my question of privilege. But if you will allow me, I will respond to the one brought up by the right hon. gentleman, particularly because he has followed it with a motion which I believe you, sir, will have to judge and you will have to decide whether there is a prima facie question of privilege.

I will not refer in any detail to the rules, but I will point out that in my speech of May 22 I did make one mistake of fact which I have corrected today. I have withdrawn the error contained in that statement. Beyond that, I would merely want to say that I am prepared to live by the rest of my statement. Undoubtedly there was some rhetoric in some of the expressions I used. I would say that this is a sin that I share with the right hon. gentleman opposite.

Some hon. Members: Hear, hear!

Mr. Trudeau: But in regard to the case that I was putting before the House—in response, I emphasize, to a statement the right hon. gentleman made on April 30—the facts and the case I put before the House I am prepared, if you should so decide, to argue in front of whatever committee the House decides would want to hear me on this matter.

However, there are a few errors of fact the right hon. gentleman made this afternoon which I would like to set right so that we can go to the committee, if that is necessary, with a clear record. I will not refer to the errors of fact he made in his April 30 speech. There was certainly at least one error of fact, and perhaps a half-truth. Nor will I refer to the errors he made in his speech on May 27 when I was away. There were at least two errors and, I would say, two half-truths. I just mention them now so as to reserve my right to put these errors on the record if the House decides that it wants to pursue this matter in any greater detail.

In my speech I emphasized on several occasions that I found the whole matter rather petty, that I was attempting to respond to the accusations that had been made by the right hon. gentleman and other people at a level which I did not think is very germane to the conduct of the country. But, once again, if a debate is to ensue on that, I want to reserve my position perhaps to enumerate a few mistakes that the right hon. gentleman has made even this afternoon.

However, before doing so, I understand that the right hon. gentleman is alleging more than an error in fact. He is alleging that there is a question of privilege. I do not know in what way his privilege as a member of the House has been affected, except perhaps, as he alleged, in the word "shameful". If you, sir, judge that that word is non-parliamentary, I will tell you in advance that I will withdraw that statement. But I hasten to add that you will have a lot of work, because I have heard the word "shameful" at least 100 times—and that is a guess—shouted across the House or contained in speeches on many occasions. I would cite just one occasion: it is in the very text that the right hon. member just read. He said he skipped a line when he read it.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: That is another of those statements that is not true.

Mr. Trudeau: He read from page 6010 of *Hansard* where I had said the right hon. gentleman had Harrington Lake stocked at public expense with fish for his enjoyment. Then he went on to quote me as saying that that was a shameful incident. Before I said that, some hon. member shouted "Shame!". I am quite certain, although I could not prove it, that the word "shame" came from the other side at that point and was obviously directed at the fact that I was making such a petty point. That is why I went on to say:

That was a shameful incident. It is, I repeat, a petty point; unfortunately it was brought out in the speech of the right hon. member for Prince Albert.

That is the only case that I would see for a question of privilege. The rest is made up of exaggerations, statements with some rhetorical emphasis, in his speeches as well as in mine. But on the basic case, I do not think it would be in the best of taste to repeat it here—

An hon. Member: Fuddle-duddle.

Mr. Trudeau: —but I will gladly do so if hon. members are interested. I would prefer to just enumerate a few of the mistakes he has made this afternoon. He said my statements were unprovoked. I just say that they were in answer not only to his own speech made on April, 30, to which I addressed myself directly, but to constant interruptions from the other side. So that is obviously getting off to a false start. He then indicated, and I noted his words, that I read entirely from a script before me. This is not true.

● (1540)

An hon. Member: Pretty close.

Mr. Diefenbaker: Is this a spontaneous falsehood?

Mr. Trudeau: The right hon. gentleman asks, "Is this a spontaneous falsehood?" He is admitting he is making a mistake about my reading.

Some hon. Members: Hear, hear!

Mr. Trudeau: If he wants to be gracious and say that he made a mistake in fact, then I will sit down now. The hon. member is shaking his head.

Mr. Diefenbaker: There was no mistake.

Mr. Trudeau: It is an erroneous statement to say that I read entirely from a script. It is true that in the last minutes of my speech I did read from a script, and hon. members opposite will remember that I galloped through it; but the whole of the first part was not read at all. There were a few notes I had gathered, not sentences. The right hon. member wanted to attack Mr. Pitfield, and I would say in a most disgraceful way for a former prime minister.

Some hon. Members: Shame!

Mr.Trudeau: The former prime minister talked about the rights of parliament. He should have learned that civil servants have rights too, and that they should not be attacked.

Mr. Diefenbaker: I didn't. I simply said that he was your Damon or your Pythias.

Mr. Trudeau: The right hon. gentleman said that Mr. Pitfield had obviously inspired me to say these things. Nothing could be further from the fact. The things I had to say about the right hon. gentleman I thought up myself, and I still believe them.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: I say that because of the one error I did make. I want to made clear that it was my own, that I am responsible for it and that no one on my staff or anywhere in the government inspired me to make that mistake. The right hon. gentleman went on to say that I had broken an arrangement, presumably by speaking first—

Mr. Diefenbaker: That statement was never made by me.

Mr. Trudeau: —or by speaking too long.

Mr. Diefenbaker: You were allowed to speak first, out of courtesy because the Leader of the Opposition felt that as Prime Minister you should go first.

Mr. Trudeau: The right hon. gentleman says that statement was never made by him. Let me read, Mr. Speaker—

Mr. Guay (St. Boniface): He doesn't remember.

Mr. Trudeau: —from *Hansard* of May 27, page 6152:

MR. DIEFENBAKER: On Thursday last it was understood between the hon. Leader of the Opposition (Mr. Stanfield) and the government, in respect of the debate that was to take place, that 15 minutes would be allotted. The Prime Minister asked to go first.

Mr. Sharp: That is not true.

[Mr. Diefenbaker.]

Mr. Trudeau: Not only is it not true, but a few minutes ago he said that he had never even made the statement I just read.

Mr. Goyer: Apologize.

Mr. Trudeau: The right hon. gentleman chides me because I do not remember things that happened 55 or 56 years ago, but he cannot remember what happened last week.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I do not forget my age, though.

Mr. Trudeau: It is entirely wrong, therefore, to say that an arrangement was broken by me, as he said. There was no arrangement. The truth is that I, through the House leader, made it clear to the opposition that I preferred not to speak first because I wanted to know what they were going to attack me on or question me about. That is why at the outset of my speech I made it clear to the House that since they wanted me to speak first, since they were not taking that privilege, and since I did not know what they were going to ask, that is the reason I dealt with certain serious matters and some which were not serious and of a petty nature which were constantly brought up by hon. members opposite.

Some hon. Members: Hear, hear!

Mr. Trudeau: But where the matter becomes serious is, after alleging that I broke an arrangement, the right hon. gentleman said that it was with the intent of preventing the opposition from either speaking or taking time. I believe that in parliamentary language this is called imputing motives, and I raise my own question of privilege at this time. I would ask the right hon. gentleman to withdraw that statement in which he imputed to me the motive of trying to prevent the opposition from speaking.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is as a result of innumerable interruptions and points of order such as we saw when I was speaking that I did speak a great deal, and it is because I had no text in front of me that I was fairly lengthy in my speech and decided to stay on another 35 minutes beyond the time I said I would leave. I did not hear one single question during that time.

Some hon. Members: Hear, hear!

Mr. Trudeau: So, Mr. Speaker, I register with you this question of privilege and I ask the right hon. gentleman to withdraw this imputation of motives against me.

To go on, the right hon. gentleman then said that I said an hon. member was fraudulent. I did not say that. I said that an hon. gentleman had made fraudulent use of statistics and I hoped that it was not intentional. Even when he could have read last week's *Hansard* and even on a question of fact the right hon. gentleman cannot get the facts right, yet he complains that I made one mistake.

Some hon. Members: Hear, hear!

Mr. Trudeau: With regard to Machiavelli, I am pleased that I at least forced the right hon. gentleman to read some of the classics. I think it would do him good if he read a bit more of Machiavelli and a bit less of Baron Munchausen.

Some hon. Members: Hear, hear!

Mr. Trudeau: The remainder has to do with Harrington Lake and the bomb-shelter. I might say something about lowering the roof. This is the first I have heard of that. I do not know where he obtained this information. I am quite sure it is erroneous too, but I will check into whether the roof of the bomb-shelter was lowered. That sounds like another pure invention; but he may have heard of it, much as I heard about the fish, from people who talk too much. The advantage of making an accusation is that we are permitted to set the record straight. I certainly understand now why the right hon. gentleman was such a poor fisherman, when he did not have the number of fish I thought he had in the lake.

On the question of Carp, there may be another privilege involved; I am not sure. All I can say is that all I know about Carp—and I am not talking about fish; I am talking about the underground complex, or whatever it is—is what I read in *Weekend* magazine several months or years ago.

Mr. Diefenbaker: That is where you get your information, is it?

Mr. Trudeau: The right hon. gentleman is chiding me for having obtained my information there, yet a moment ago he was saying that I was breaching security for saying something which was an official secret.

An hon. Member: Shameful!

Mr. Trudeau: Mr. Speaker, I repeat that I will stand by whatever decision you make. I do not mind going before a committee if it is necessary to carry this on. I am a little disappointed because I had been told that the right hon. gentleman had made a very forceful intervention last week and that he was pretty entertaining. I regret that I did not have the benefit of that. I must say that I am prepared to consider this whole matter as a humorous interlude. If the right hon. gentleman wants to make more of it, sir, I am in your hands.

● (1550)

Mr. Speaker: Order, please. I might indicate that, as is my usual practice, I would reserve judgment on the question of privilege. I see the hon. Leader of the Opposition (Mr. Stanfield) and the hon. member for Winnipeg North Centre (Mr. Knowles) both seeking the floor. The floor is, of course, open for discussion of the question of privilege, and I would recognize them and other hon. members who want to participate.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to make this very brief intervention. Some of the comments made by the Prime Minister (Mr. Trudeau) this afternoon would provoke a more restrained person than myself to reply. I would simply say, with regard to the understanding, that it was clearly understood that our position was that if the Prime Minister wished to go first, he was entitled to do so.

Mr. Sharp: Not his wish, no; that is not true.

Mr. Stanfield: There was no request, Mr. Speaker, that the Prime Minister should go first. As to the matter of going on for an hour and 20 minutes, I do not rise to impute motives. I do not think there is any need for anybody who was present to impute any motives at all. The fact that the Prime Minister went on for an hour and 20 minutes in those circumstances speaks for itself, I think.

Some hon. Members: Hear, hear!

Mr. Stanfield: I wish to say one or two things about the question of privilege raised by the right hon. member for Prince Albert (Mr. Diefenbaker). The Prime Minister seemed to approach this question this afternoon as if it were a question of mistaken fact. He seemed to think that he had in fact terminated the whole question by admitting that he had made a mistake of fact. I was here in the House, Mr. Speaker; I heard the Prime Minister; I have read *Hansard* since then, and I rise to support the motion. It seems to me very clear, and I submit this to you, that the Prime Minister was reflecting upon the conduct of the right hon. member for Prince Albert when he was prime minister; that the Prime Minister was not only inferring, but stating, that the former prime minister, the right hon. member for Prince Albert, had taken advantage of his office for his own personal benefit.

An hon. Member: Right on.

Mr. Diefenbaker: That is what he meant.

Mr. Stanfield: That, Mr. Speaker, is the essence of the first two paragraphs or so on page 6010 when the Prime Minister discussed the land grab. He said the former prime minister, the right hon. member for Prince Albert, "was adding thousands of acres of land for his private enjoyment".

Mr. Trudeau: We will take it in committee if you want.

Mr. Stanfield: The Prime Minister says we will take it to committee. The Prime Minister never withdrew that, Mr. Speaker. I am not sure what he meant this afternoon when he said that nobody else thought those things up for him and he thought them up himself.

Quite apart from that, I suggest it is very clear to anybody who heard the Prime Minister, or to anybody who reads *Hansard*, that this is not a question that can be straightened out simply by the Prime Minister rising in his place and admitting he made a mistake in fact, because the point the Prime Minister was trying to make was that by adding thousands of acres for his own private enjoyment and taking part in the biggest land grab—I think he said in Canadian history as far as a private citizen of Canada is concerned—the Prime Minister of Canada was accusing the right hon. member for Prince Albert of having taken advantage of the office for his own private gain and his own private purposes.

I think that is clearly a question of privilege, Mr. Speaker. If the statement were made against me, I would expect that the Prime Minister would stand in his place and apologize if there were any such inference. But he cannot, with all due respect, Mr. Speaker, ask us and the people of Canada to forget about this whole thing by rising and saying this afternoon that he just made a simple mistake of fact on one matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like the Leader of the Opposition (Mr. Stanfield), I believe this matter can be dealt with briefly. I also believe that the issue can be narrowed and made quite clear.

The first point I should like to make is that there does seem to be one area of common ground between the right hon. Prime Minister (Mr. Trudeau) and the right hon. member for Prince Albert (Mr. Diefenbaker). The right hon. member for Prince Albert has proposed a motion which would refer this matter to one of the standing committees. The Prime Minister says that he would be quite happy to see it go to a standing committee and to appear before it. I see Your Honour shaking your head; I think I know what that means. The fact that these two gentlemen agree to do that does not necessarily make it a question of privilege in parliamentary terms, but at least I think it simplifies the problem Your Honour has to face.

Let me move on and say that I agree with the Leader of the Opposition that what is before us is not just a dispute over facts. If that is all it is, Your Honour could say that is not a question of privilege; that goes on here every day, every hour—disputes over facts. What, it seems to me, is at stake is whether the Prime Minister, in what he said, damaged or sought to damage the reputation of the right hon. member for Prince Albert.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My hon. friends over there can get into this debate if they like, but I suggest they do so by taking the floor. I draw Your Honour's attention to citation 108(3) on page 98 of Beauchesne's fourth edition, which reads:

> Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity, and the libel must be based on matters arising in the actual transaction of the business of the House.

I thought I had better look into the Oxford English dictionary that is on the table for a definition of "libel". It is very clear; it is "a statement damaging to a person's reputation". I submit to you, Mr. Speaker, that the statement which the Leader of the Opposition has just quoted and which I should like to quote again is, if it is true, damaging to the reputation of the right hon. member for Prince Albert. The statement is in the paragraph near the top of the second column on page 6010 of *Hansard* for Thursday, May 22. It is in the paragraph in which the Prime Minister was talking about the alleged land grab at Harrington Lake, and he used these key words:

> He was adding thousands of acres of land for his private enjoyment.

I suggest, Mr. Speaker, that this is not just a dispute over facts; this is an allegation that the right hon. member for Prince Albert, when he was prime minister, used his position as prime minister to do something for his private enjoyment, and of course if this had been done it was at considerable public expense.

The Prime Minister today has withdrawn the charges about the stocking of Harrington Lake with fish and he has withdrawn the use of the word "shameful", but the sentence which he uttered after he had made both the charges is still there, for he said:

> —the facts are as I have stated them, Mr. Chairman.

In other words, the Prime Minister stands by his assertion that the right hon. member for Prince Albert did add thousands of acres of land to the property at Harrington Lake and that he did this for his private enjoyment. I say again, it is not a dispute over facts; that would not constitute a question of privilege in the parliamentary sense. But a statement made by the Prime Minister of Canada that a former prime minister used his position to add to his private enjoyment at public expense has the effect—at least it would have the effect, if it were true—of damaging the character of the right hon. member for Prince Albert.

It is for this reason that I believe the matter should go before a committee, so that the Prime Minister and the right hon. member for Prince Albert can appear before that committee and get to the bottom of the facts, but more important, so that they can get to a position where the reputation of the right hon. member for Prince Albert is either left the way it is on the record, or cleared.

● (1600)

As I say, sir, I take very strongly the position that in essence we are not dealing with an argument over facts. We do that all the time and we frequently correct ourselves and correct each other. But in this instance we are dealing with a statement which, in the terms of the citation I read, is damaging to the character of a member of this House. I submit that that has the elements of a question of privilege. I hope, when you have considered the entire matter, that you will come to the position of putting the question to the House so that the matter can be voted on and sent to the appropriate standing committee.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, may I set the record straight about the arrangements which were made for the debate. As I recall my conversation with the House leader of the official opposition, I said that we were facing a situation which was almost without precedent, as it had been a long time since a prime minister had been called before the committee of the whole on his estimates, and we had to agree upon a procedure. I said the Prime Minister (Mr. Trudeau) would prefer to speak second, but, of course, he would be prepared to speak first if that was agreed upon. After some consultations, the House leader of the official opposition came back and said, "We think the Prime Minister should speak first. He is the Prime Minister." So this was the arrangement as I understood it. These comments are irrelevant to the question of privilege but are made to set the record straight.

Speaking on the question of privilege, I suggest that one has to look at the context in which the Prime Minister made his speech. He was under attack. It had been sug-

gested that the Prime Minister had spent money for his private enjoyment as Prime Minister of Canada. This was the charge which had been made by the other side. It had been suggested, for example, that repairs to the Prime Minister's house were made for his private enjoyment as Prime Minister. Those were the kinds of statements which were made across the floor of the House. Surely, in these circumstances, the Prime Minister should be given the privilege of pointing out that when the right hon. gentleman from Prince Albert (Mr. Diefenbaker) was prime minister, improvements were made which resulted in his private enjoyment while he occupied the position of prime minister.

Mr. Diefenbaker: That is not what he said.

Mr. Sharp: Therefore, I think this is a spurious point and I am surprised at the hon. member for Winnipeg North Centre (Mr. Knowles) for supporting it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will the minister permit a question? Does it not make a difference as to whether the charges are true or—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I want to put a question to the President of the Privy Council (Mr. Sharp) who expressed amazement at the stand I had taken. He asked if it was not proper for that side to accuse this side of spending money, in the same way as this side accused that side. I know that the matter is equal between the two sides if it is true that the right hon. member for Prince Albert spent the money that way; but if it is not true, surely that makes a difference.

Mr. Trudeau: Mr. Speaker, perhaps I can explain, because I know the facts. The truth is the same for the right hon. gentleman and for myself. When we talk about private enjoyment, when we talk about thousands of acres and about using that space, he did it and I did it.

Mr. Diefenbaker: I did not do it.

Mr. Trudeau: Mr. Speaker, the Prime Minister's Residence Act sets aside 17 acres. I'll bet you the right hon. gentleman used the lake, too. I'll bet you he went fishing in that lake. This is outside the 17 acres.

Mr. Diefenbaker: Childish!

Mr. Trudeau: The right hon. gentleman says it is childish. I quoted him—

Mr. Diefenbaker: Is the Prime Minister to be given the opportunity for a second speech?

Mr. Trudeau: I am answering a question. The truth embarrasses you.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre asked a question and the Prime Minister has been recognized solely for the purpose of answering.

Mr. Trudeau: Mr. Speaker, I repeat, if he enjoyed the lake, so did I; and I said in my speech that I thought it was a good thing that this had been added for the enjoyment of the prime minister. The right hon. gentleman said that he only used 17 acres. I quoted him talking about me, Trudeau, when he said, "He took over everything over there".

Mr. Diefenbaker: That is exactly what happened. That is exactly what the National Capital Commission said.

Mr. Trudeau: Mr. Speaker, I used the lake and he used the lake. The truth is the same on both sides. In the one case was I using it for my private enjoyment, and in the other was he using it while prime minister? I submit that both men, the hon. member for Winnipeg North Centre and the right hon. gentleman for Prince Albert, are preposterous.

Mr. Diefenbaker: Childish!

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I do not think much turns on the arrangements. Without question, the government House leader and I discussed whether the Prime Minister (Mr. Trudeau) should speak first or not. When the government House leader telephoned me in the morning after the cabinet meeting, that was my first official notification that the Prime Minister would not be present in the House for the full day. In those circumstances, after consulting my colleagues I agreed that the right hon. gentleman should go first. But there was a clear understanding that the Prime Minister would make a statement which would not be lengthy and that he would hold himself ready for questioning. But that is beside the point and I will not press it.

I want to respond to what the government House leader said about the words that were used by the right hon. gentleman. This was not a case of the Prime Minister coming here during the heat of debate and responding to something which the right hon. member for Prince Albert (Mr. Diefenbaker) had raised in debate. What was said by the right hon. member for Prince Albert had been said three weeks earlier, so this was not a case of statements being made in the heat of debate; it was a case of the Prime Minister's deliberately—

Mr. Stanfield: And premeditatedly.

Mr. Baldwin: —and premeditatedly saying something. There is no question about it; he did it in a considered way. He came here on May 22 and made those statements. He cannot be excused on the grounds that he made those statements in the heat of debate. There is a clear distinction to be made. This was, in my opinion—

Mr. Guay (St. Boniface): That is your opinion, not everybody's opinion.

Mr. Baldwin: —a cold, considered slander. We who sat here heard it. There was more than an innuendo contained in those remarks. They were a reflection upon the character of the right hon. member for Prince Albert in his discharging of functions as prime minister of the country.

It was a slander upon him and we so understood it on my side. If I misjudged the Prime Minister, if he did not so consider it, or if he did not intend his statements to be regarded in that light, he has the opportunity now to get up and say so.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I rise with some hesitation, not being a member of the front benches.

Mr. Guay (St. Boniface): It might take you a long time to get there.

Mr. Dick: Like you, Joe, after many years I might not make it. I have listened for over one hour to speeches made on this question of privilege. I have heard much rhetoric and many allegations, many of them provocative. I have seen a lot of smiling and a lot of people thinking they are cute, and we have taken up one hour and ten minutes of the time of parliament.

Some hon. Members: Hear, hear!

Mr. Dick: I think this matter might best be clarified in committee. After all, we cannot brush it under the carpet, because not only must justice be done; it must appear to be done.

An hon. Member: What a cliché.

Mr. Dick: It may be a cliché, but it has been around for a long time because there is a great deal of truth to it. Instead of spending time on counteracting and conflicting statements, I suggest that we should send this matter to committee. Let us send it out of the House to the committee to be appropriately dealt with.

● (1610)

Mr. Speaker: Order. I think I can conclude the intervention on this very interesting point by saying that for the first time I can fully understand why last fall I resisted when I was called to this chair. I shall reserve my ruling on the question of privilege and try to arrive at a judgment on it by tomorrow or not later than the next day.

[*Translation*]

REFERENCE TO MOTION CONCERNING ISSUE OF COMMEMORATIVE STAMP

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to rise on a question of privilege.

At the beginning of the sitting, I submitted a motion under Standing Order 43 requiring the unanimous consent of the House. Since the motion involved no political partisanship likely to lead to controversy, I was unpleasantly surprised that it was not unanimously accepted. Would the reason for it be that the motion was in memory of a French-speaking Canadian? I do not know. Yet it was simply a question for the House of honoring one of its former servants who, in addition, was the founder of an extremely important cooperative movement in Canada and to hope that his work would continue to prosper throughout Canada.

[Mr. Baldwin.]

Once again, Mr. Speaker, I should like to point out to the House the utmost importance of Standing Order 28. If the Standing Orders were taken more seriously, we would not have to submit to a unanimous refusal on such important questions, without the member who has risen to oppose the motion being recognized by the Chair and identified in *Hansard*, as was the case today, on a motion of national interest. Let us beware that such a habit of systematically refusing unanimous approval lead not one day to difficult and regretful situations. The public is always entitled to know the name of a member who submits or opposes a motion.

Mr. Speaker: I thank the hon. member for rising on a very important question of privilege. I am sure he understands very well that the problem is not the adoption of the motion under Standing Order 43, but simply the unanimous consent to put the motion. In any case, each time, this afternoon, as usual, I have heard not only one voice, but several voices say no, although I am not certain whether there were English of French voices, and pursuant to the provisions of Standing Order 43, it is completely impossible not only to ask for the adoption of the motion, but even to put the motion before the House.

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IMMIGRATION POLICY

First Report of Special Joint Committee on Immigration Policy—Mr. O'Connell.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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EXTERNAL AFFAIRS

STATEMENT ON NATO SUMMIT MEETING

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish briefly to report to the House on the Nato summit meeting recently concluded in Brussels. This was only the third meeting of the Nato council conducted at a head of government level in the 26 years in which this organization has been in existence. Hon. members will recall that a brief summit session took place last year following the very successful twenty-fifth anniversary foreign ministers' meeting here in Ottawa. The Ottawa meeting produced the Ottawa Declaration. This declaration was signed by heads of government in Brussels a few days later. Because of competing events here in Canada which will be well remembered by all who engaged in them, and which culminated on July 8 of last year, I was unable to travel to Brussels for that signature occasion.

The council meeting this year took place on Thursday and Friday of last week and was attented by the heads of government of 14 of the 15 member countries. The occasion was a useful one, for it permitted heads of government to be briefed on the current political situation in Europe as well as on the state of military preparedness of NATO. The speeches to the council made by some of the heads of government were released to the press and are therefore

familiar to hon. members. The communiqué reflecting the proceedings has also been made public, and I should like to take this opportunity to table a copy of it in each of the official languages.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Trudeau: This meeting, Mr. Speaker, gave me an opportunity to emphasize to our NATO allies that it is in the interest of the alliance and in the interest of Canadians that our political adherence to NATO remain firm and that our military contribution remain effective. By effective, I mean both cost-effective and military-effective. The purpose of the defence structure review is to ensure that those goals are met. I may say that the contribution of the Canadian armed forces in Europe is highly prized. The professionalism of our troops and airmen is recognized by each member of the alliance, and it was impressed upon me by some of my NATO colleagues how disappointed they would be should any Canadian government at any time take any steps to lessen the effectiveness of the Canadian military contribution.

During the course of the meeting I proposed that there be more frequent opportunities for heads of government to consult with one another and that this opportunity should permit consultations of an informal kind for these, in my experience, were of great value. I used the Commonwealth heads of government meeting experience as an example as I put forward this proposal.

I am happy to report, Mr. Speaker, that the suggestion was taken up in positive terms immediately by the President of the United States and by the Chancellor of the Federal Republic of Germany. During the ensuing discussion, by far the greater number of countries indicated their interest in the idea.

[*Translation*]

Mr. Speaker, I had the opportunity in Brussels to meet on a bilateral basis with President Ford and several other heads of governments. The meeting also allowed me to meet the president and two of the vice-presidents of the European Community, with whom I talked rather extensively about the formal support the commission gave to the Canadian proposal on the establishment of a contract agreement with the European Community. With the same objective in view, I also went to Denmark and to Luxemburg. Both visits completed the series of discussions I had in the capitals with the heads of the governments of all the member countries of the European Economic Community. During these visits, I could explain that Canada was willing to negotiate the establishment of official relations with the community; in return, I received the assurance that the matter is being considered favourably. During my discussions with the chairman of the commission, I was informed that the community will open an office in Ottawa before the end of the year.

[*English*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to make a very brief reply. If I am brief, let me add it is only because I am particularly well-informed on this subject that I can reply at all. The Prime Minister (Mr. Trudeau), I understand, had some difficulty in deciding he would make any statement; it was only at 2.15, apparently, that he made up his mind and I received a copy. I am glad I received one at all.

Mr. Knowles (Winnipeg North Centre): Just as well if you had not.

Mr. Stanfield: The Prime Minister referred to the respect in which our troops are held in Europe. There can be no doubt about the respect for the quality of our personnel. Frankly, though, I think there is a good deal of doubt about the way in which our troops are equipped.

Some hon. Members: Hear, hear!

● (1620)

Mr. Stanfield: I must also say, not because of anything the Prime Minister said this afternoon but because of statements made recently by the Minister of National Defence (Mr. Richardson), that the government's position regarding our contribution to NATO is rather ambiguous. The Minister of National Defence, as I understood him, said that we have to consider the question of quality as well as quantity. I think there is a great deal of doubt in this country today about precisely what we are committed to do with respect to NATO, and I have to say to the right hon. gentleman that he did not do anything here this afternoon to clarify that doubt.

The Prime Minister said how disappointed our NATO colleagues would be should any Canadian government at any time take any steps to lessen the effectiveness of Canadian military contributions to NATO. I hope it is not unsporting of me to remind the right hon. gentleman that that is one of the first things he did after taking office.

I am also a little puzzled by the Prime Minister's reference to the desirability of more frequent opportunities for heads of government to consult with one another. That is another way of describing a summit meeeting, I would think. I understood the Prime Minister, a few weeks ago, to have very considerable doubt about whether a summit meeting, at that time at least, would be useful. I do not know whether the right hon. gentleman has been so impressed by what took place at this summit that he has changed his mind or quite what he is getting at. As I say, he seemed to be taking the position a few weeks ago that a NATO summit was something that should take place only under quite precise and propitious conditions. He is now suggesting summits as a continuing institution.

Athough he did not say so in this statement, in another statement the Prime Minister is reported as having said that NATO needs the continued support of the people. There can be no doubt about that. I would have to ask the right hon. gentleman how much he and his government have done to encourage the Canadian people in that regard. How much leadership have they given the Canadian people to enable them to appreciate and to support our role in the NATO alliance?

With regard to the missing link or the search for the link with the European Economic Community, I say this is good if it continues. The interest of the Prime Minister in the Common Market is a little late, but certainly it is better to be late than never. I for one would be grateful for some clarification as to what kind of contractual link the

Prime Minister is seeking, because this has been a little fuzzy in the mind of the Prime Minister. Perhaps following his last trip to Europe the Prime Minister can be a little more precise. If I have the opportunity of asking him a question in a few minutes, I would ask him—and he might think about this—to clarify a little further, following his last visit, what he means by a contractual link.

The last thing I want to say concerns détente. I think the movement toward détente is something that we all support in principle. One thing that has disappointed me is that there does not seem to have been much success among the NATO countries, among the countries of western Europe, in getting any clearcut understanding from countries east of the Iron Curtain, the U.S.S.R. in particular, regarding the free movement of peoples, theirs and ours.

I have long felt that this is a matter of vital importance. I know the attitude of Russia, for example, toward other countries interfering in the internal affairs of their country or other countries, but I suggest it would be unfortunate if in fact something called détente is negotiated involving some limitation of troops as well as some approval of the status quo, if in fact by that implicit approval of the status quo we from the west are indeed saying we are prepared to go along with the very restricted movement of peoples which is now permitted in the U.S.S.R. and the countries associated with the U.S.S.R. In a moment, if I may, I should like to ask the Prime Minister a simple question on that point.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, like the Leader of the Opposition (Mr. Stanfield) I, too, until about 2.15 anticipated that the Prime Minister (Mr. Trudeau) was not going to make a statement on his trip to Europe but would simply table some comments in the House. Having listened to his statement and having read it just prior to his getting to his feet, I can understand why there was some hesitation about using up the time of the House on the question of NATO and the role Canada is to play in NATO, we get absolutely nothing from the Prime Minister. It seems to me that if the government is committed to maintaining our country's membership in NATO, he had an obligation to produce some answers to our allies in Europe to the questions that they have been asking about the nature of our role, as well as to provide the House with the answers we should have given to our allies at a NATO meeting. The Prime Minister did none of these things.

The specific question is: Are we going to continue our somewhat mixed contribution by performing a role on the ground as well as in the air? If so, are we going to re-equip our troops on the ground? If not, what is to be Canada's contribution to the NATO defence of western Europe? None of these questions was dealt with in the slightest either in the communiqué that was attached to the Prime Minister's statement, which of course is issued by all members of NATO, or in his statement in the House. In view of what has been said here about the opposition taking up a lot of time in the House with gratuitous remarks, I think the same comment could be applied to the statement that the Prime Minister has made regarding the government's position on NATO.

At this time I should like to make it clear that the New Democratic Party believes that, if it was once appropriate for Canada to be playing a role in NATO, that time has since passed. I wish the Prime Minister would remove the government from its ambivalent position. On the one hand, it seems to me inclined to the view taken by our party—that it is no longer appropriate at this stage in history for us to take part in NATO—which might account for the lack of clearcut policy in terms of our military contribution. On the other hand, the Prime Minister makes the statement that the government does not take that position but that it is firmly committed.

We think we should be out of NATO. We think it is much more appropriate now to have a highly trained, professional military force for our country and that this force should be made ready for strengthening United Nations' peacekeeping forces when we think such course of action is appropriate, so the force is available for use in emergency relief operations.

I am not going to take the time of the House to elaborate on my reason for saying that; I simply conclude by telling the House that we expected much more from the Prime Minister in terms of clarifying the government's own view of NATO. We are going to continue, says the government, in our commitment, yet apparently the government has not made up its mind how it is going to continue in its commitment.

With reference to the meeting concerning the European Economic Community, I, like the Leader of the Opposition, welcome the announcement of the opening of an office. However, I would simply urge the government to come forward soon, primarily through the Minister of Industry, Trade and Commerce (Mr. Gillespie) but also through the Minister of Finance (Mr. Turner), with some imaginative programs to develop our secondary industry in particular.

● (1630)

Trade relationships are, of course, important in the western world. But by improving secondary industry in Canada in terms of efficiency we will be able to gain access to those markets as well as to many others. The real objective of a trade policy should not be one of looking for special concessions from the European Economic Community but one of developing a first-rate secondary industry in Canada. We need the kind of leadership from the government we have not yet received that would set out in clear terms how we are to go about achieving that, and if we achieve that I would argue we would not have to be preoccupied with looking for special concessions from the European Economic Community.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I am pleased to see the Prime Minister is back in good shape from his trip in Europe.

The Prime Minister told us how satisfied he is following the conference of the leaders of NATO countries. I believe such conferences complete others held by foreign affairs ministers who meet once or twice a year to discuss problems facing the NATO countries and the ways to solve them.

Since the inception of NATO, that is 25 or 26 years ago, we realize that Russia has been stopped for a while at least in its ambition to dominate Europe and perhaps several

other areas of the world as well. In the past several years, we have seen the organization go through all kinds of problems. For instance, let us recall the dispute between England and Iceland with regard to fishing activities in the territorial waters of Iceland. Let us recall another problem not yet solved opposing Greece and Turkey, two countries members of NATO, about Cyprus. Let us not forget what is now happening in another country also a member of NATO, Portugal. All those are fairly recent problems that the organization must consider. We must therefore see to it that the organization does not crumble so that it will oppose the Warsaw Pact bloc which, in my opinion, has not quit pursuing its objectives to impose its rule all over Europe and perhaps others areas of the world.

Until now, NATO has assumed its responsibilities, and I feel it should continue to do so. On the other hand, after 25 or 26 years of protection in Europe, might the time not have come for the European countries to assume a greater part of their own defence by participating economically, for instance, in the number and quality of the troops and weapons needed to ensure the defence of Europe. Doubtless, the Canadian participation has its own objective, that of making as remote as possible the danger of a widespread conflict such as that of 1914 or 1939-45, which, if it were to recur in the future, could have much more serious consequences for America. Seen in that light, I feel that the countries of Europe that want to protect themselves should contribute to a greater extent to those defence organizations.

There is another problem which was mentioned before, that of modernizing our defence and surveillance equipment. We will soon have to make considerable improvements because we are becoming aware that our aircraft, for instance, are almost obsolete; they will have to be replaced in the relatively near future. Now, to do so will require astronomical expenditures and, as in all parliamentary democracies the government must submit its credits to Parliament and to the people, something that is not done on the other side of the barricade, at least not in the member countries of the other pact; one wonders if the U.S.S.R. is not thus in the process of winning a war of attrition.

In any event, Mr. Speaker, I feel that those meetings can only help better understand the needs of that organization; what the right hon. Prime Minister (Mr. Trudeau) proposes could complement what has been done in the past, and so give us a better overall view of the problems at hand, help us find the required solutions, to keep that group to face the other party which, to my mind, continues to constitute a threat.

I feel therefore that if we are to continue watching its activities closely, serious meetings must be held as often as possible.

[*English*]

Mr. Stanfield: Mr. Speaker, I should like to ask the right hon. gentleman about the contractual link which I understand consists of a structure to be put in place making provisions for consultation between the EEC and Canada as questions arise from time to time. That was my understanding. Perhaps the hon. gentleman will correct me if I am wrong.

I should also like to ask whether his discussions with representatives of the EEC this time went beyond that point. Did he have the opportunity of discussing France's attitude with the President of France, or the attitude of the government of France toward such a contractual link between the European Economic Community and Canada? The Prime Minister has visited all the EEC countries now and has given us a good deal of information about the attitude of various governments, with the single exception, I think, of the attitude of the government of France.

Mr. Trudeau: On the first part of the question, Mr. Speaker, the answer is yes, we did go beyond that. As the hon. gentleman knows, the commission has now agreed with us on the form of the term of reference which could be the basis of an agreement between the community and Canada giving form and substance to the contractual link. So in reality we did go beyond discussing the mere term of reference. That is already in the mill. The discussions I had with the president and the two vice-presidents of the commission were directed mainly to the accepted order on which the council of ministers would authorize the commission to negotiate the terms of reference, and what specific action Canada might take while waiting for the council of ministers to give that authorization.

I suppose that leads into the second question as to what specific action we took with France. I might first correct the hon. gentleman who has said I have not reported the attitude of the government of France. I did that after my meetings in Paris last October. At that time I had not yet been in Brussels, and I have not since then raised the question officially with the President or Prime Minister of France. As the hon. gentleman perhaps knows, the Prime Minister was not at the NATO meetings, nor was the President. However, he did come to the banquet on Thursday night, I believe. As far as I know, he arrived just for the banquet and left right after. Being the senior Prime Minister present, I guess, I was seated opposite the President of France. We did a bit of talking, but the table was at least ten feet wide and it was a bit difficult to get into any detail.

● (1640)

Mr. Stanfield: We have no difficulty communicating here.

Mr. Trudeau: That is correct, but we have microphones here. I might say that the King of Belgium did not think it was appropriate to set up telephone or telegraph assistance between the people invited to his table. I might add that I could not even kick him under the table as I would love to do if I were sitting opposite the hon. member for Peace River. I would kick him above the table, too, if I came that close.

The Government of Canada will very soon be receiving visits from the French minister of commerce and from one of the important ministers of state, Mr. Poniatowski, in the coming weeks. Of course, this is likely to be the kind of subject we will raise with them. Whether I will be able to report to the House on this is not known at this time.

Mr. Stanfield: Mr. Speaker, I have a question relating to détente. I should like to ask the Prime Minister whether he had any discussions with his NATO colleagues on the

matter of détente, particularly in respect of the right of citizens to leave a country. My concern is that détente may be negotiated without anything effectively being determined in this connection and that the détente will, *de facto* at least, involve approval by us of the very limited movement which is now available to citizens of the U.S.S.R. and other countries. Can the Prime Minister give us any encouragement in this regard?

Mr. Trudeau: Well, Mr. Speaker, the question of détente was raised by several of the heads of government as well as the question of the mutual and balanced forced reduction. I raised this myself in my remarks. I would point out that the meeting in Brussels was not so organized nor so convened in a way that would permit us to discuss in any detail the question of détente or MBFR. Timing itself was not set with those two objectives in mind. That is the reason the Canadian government, the Secretary of State for External Affairs and myself had some reservations about the date of the recent meeting. We thought that more progress might have been achieved had there been a greater period of preparedness.

That is not to argue that we were not prepared to go. In fact, we did go. We were just arguing on the most effective way of meeting. Indeed, that was also the substance of my interventions on the matter of more frequent heads of government meetings. I would not advocate such meetings if they were merely for the purpose of sitting around the table and reading speeches to each other. I believe more should go into these meetings. That is why I argued. This is linked, once again, to my proposal concerning more frequent meetings and my hesitation about going on a specific date to the one which just took place.

As to the substance of the détente discussions, the Secretary of State for External Affairs would certainly be prepared to answer in greater detail perhaps at another time. The Leader of the Opposition is really stating the policy which has been that of the Canadian government, for which we are well known. There is, in technical language, the third basket, the one in which we have insisted that détente must go hand in hand with the free movement of people and ideas and an exchange of information between the two blocs, and that merely a military détente would not be satisfactory. We insist on this third basket. I am told that progress is being made on that. I would remind the hon. gentleman that that has been the Canadian position from the outset. We have gained a great deal of support for it. That continues to be our position. I believe that covers the matters about which I was asked.

Mr. Brewin: Mr. Speaker, as the hon. member for Oshawa-Whitby pointed out, the Prime Minister in his statement on NATO did not deal with the type of military contribution Canada proposes to make. I should like to put this question to him: Is it contemplated that Canada will continue its role in the front line of the central front in Europe, which would clearly involve a very heavy expenditure for new equipment, or is it contemplated that Canada might contribute a mobile contingent for use on the flanks of NATO which are said to be particularly vulnerable at the present time?

Mr. Trudeau: Mr. Speaker, the defence structure review to which I referred in my statement, and indeed at Brus-

[Mr. Stanfield.]

sels, is precisely to ensure that it is at the same time effective in military and in economic terms. As I told them quite candidly, our defence review is not terminated at the present time. I could not answer the type of question the hon. member is asking me.

I did receive representations from them concerning the kind of structure they would like to see. I pointed out to them that Canada had a whole set of priorities and would try to make its defence structure as effective as possible within all those priorities. But I did give them the assurance, which I understand is not supported by the New Democratic Party, that our political adherence to NATO remained firm and we had no intention of withdrawing in a political sense, and that in a military sense we have no intention either of reducing our contribution there. I realize that is not the position of the hon. member for Oshawa-Whitby. I am sure it is not known to him that every socialist leader I met there argued on the contrary, the Prime Minister of Great Britain, the Prime Minister of The Netherlands—

Mr. Broadbent: Did you go to Sweden?

Mr. Trudeau: —the Prime Minister of the Federal Republic of West Germany. Indeed, this even appears to be the position of the Portuguese government in which I think the hon. member is hoping the socialists will play a not inconsiderable part. I will gladly go to Sweden. I suggest that the hon. member might perhaps take a little trip to see some of his socialist friends, too.

[*Translation*]

Mr. Laprise: Mr. Speaker, I would like to ask the right hon. Prime Minister whether at that meeting of heads of states of member countries of NATO the subject was raised of contributions not only by Canada but every member country of NATO, and did the Prime Minister himself make commitments for Canada and can he inform the House in that respect?

Mr. Trudeau: Mr. Speaker, I thank the hon. member for his question as well as the seriousness of the comment he made at the beginning of this period, a seriousness that I think contrasts somehow with the attitude of the leaders of other parties. I would like to say in direct reply to his question that the specific discussion about which he is asking was not raised at the meeting I attended. Defence ministers of NATO countries had discussed this kind of problems in some detail one or two weeks before. In brief, Mr. Speaker, the Canadian position is that we are now conducting a study about the most efficient course for our contribution to NATO. So it is possible we may change the methods of participation. But in so far as the funds, our political and military involvement in NATO and in so far as our desire to make sure that our military participation is maintained, at least at the present level, I did not leave any doubts and I gave the assurance on behalf of the government of Canada that that would be our way of participating.

● (1650)

[*English*]

OLD AGE SECURITY ACT

AGREEMENT TO AMENDED ROYAL RECOMMENDATION RESPECTING BILL ON ORDER PAPER

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, it is my understanding that the recommendation appearing on today's order paper, under introduction of the bills, to amend the Old Age Security Act, to repeal the Old Age Assistance Act and to amend other acts in consequence thereof, is not in accord with the provisions of the bill and therefore a new recommendation will be required. As the House leader, may I suggest that the present recommendation be replaced by a new recommendation and that the introduction of the bill be delayed until tomorrow or Wednesday.

Mr. Speaker: Is there agreement to the suggestion of the President of the Privy Council (Mr. Sharp)?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,606, 1,733, 1,897, 2,212, 2,369, 2,427, 2,428, 2,447 and 2,454.

Mr. Speaker, if question No. 556 could be made an order for return, this return would be tabled immediately.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

METRIC CONVERSION

Question No. 1,606—**Mr. Schumacher:**

1. Does the government have available an economic impact analysis of the effect of conversion to the metric system and (a) if so (i) on what date was this analysis done (ii) by whom (iii) from what areas was the data gathered (b) if not, for what reason?

2. What facts does the government have to ensure that metric conversion is the best interest of the Canadian economy during the current recession in North America?

3. (a) Will standardization benefit Canada in the long run (b) what information is available, and what analysis has been done, regarding the implication of our trade position in the short term?

4. What steps has the government taken, if any, to provide (a) low cost loans (b) technical assistance (c) education for small businesses?

5. What steps has the government taken, if any, to provide for protection for smaller manufacturing firms against the effects of the heavy financial outlay conversion will require from them in competing with imports from historically metric countries?

6. Has any data been gathered and, if so, what is its nature to ensure that conversion to metric will not broaden the gap between presently imported and exported finished products?

7. Will government purchasing policies maintain a viable level of goods from domestic firms over metric European goods and what form will such protection take?

8. What funds have been set aside and what plans have been made for public education?

9. What is the projected cost for conversion to metric system?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) The White Paper on Metric Conversion in Canada contains the government's analysis of the effect of conversion to the metric system. It states in part:

The Government accordingly accepts eventual conversion as a definite object of Canadian policy, and proposes means of study and consultation whereby the pace and methods of change may be determined in the national interest.

The White Paper on Metric Conversion in Canada of January, 1970, pointed out that "each industry sector must weigh the benefits of an internationally uniform and coherent system of measurement against the costs of changing from the existing system and that metric conversion consists of "a variety of programs extending over periods of years as determined by the needs and problems in different sectors of the economy. Therefore, the supporting data necessary for any additional analysis could only be compiled gradually at the industry and sector level. To attempt to integrate such data as may be made available by individual economic sectors would be relatively expensive in money and manpower resources and the *ex post facto* result would not be significant in the light of the conclusion of the White Paper that metric conversion in Canada should be acknowledged as inevitable and in the national interest. (i) This analysis was tabled in the House of Commons on January 16, 1970. (ii) The Minister of Industry, Trade and Commerce. (iii) In the White Paper on Metric Conversion in Canada, representative national organizations put their views on metric matters before the government. Among those who expressed support for conversion were: The Consumers' Association of Canada, The Canadian Home and School and Parent-Teacher Federation, The Agricultural Institute of Canada, The Canadian Chamber of Commerce, The Canadian Pharmaceutical Association, The Canadian Council of Professional Engineers, The Chemical Institute of Canada, The Engineering Institute of Canada, The Canadian Standards Association, The Canadian Hospital Association, The Canadian Construction Association.

2. The White Paper spoke of the "vital importance of foreign trade to Canada especially the need for growth in exports of manufactured goods." It specified "the overwhelming world trend to the metric system as a powerful argument for Canadian conversion." It stated that "there is no precise means of assessing the effects on trade of differences in the measurement practice of Canada and foreign buyers," but "it is the practical judgment of many of those concerned with Canadian trade in established metric regions that the unfamiliar standards significantly hinder Canada's penetration of the market." The eventual costs of not planning and scheduling in 1975 and 1976 for subsequent implementation could be large in terms of missed opportunities for rationalization and increased ef-

ficiency, as well as in terms of market opportunities foregone. The costs incidental to metric conversion in the Canadian economy will not reach their peak until the years 1977 and 1978 when world trade would be expected to have resumed a normal rate of growth.

3. (a) Yes. (b) The White Paper notes that "conversion of units during commercial negotiations (necessary now in world trade in primary commodities) may be a handicap and a source of error. In the case of exports by secondary industries the problem is with the differences in standards and therefore in the products themselves." Until such time as industries formulate their individual plans with respect to their timing and method of conversion it would not be possible to estimate the short term benefits of standardization on our trade position.

4. (a) Cabinet has approved a program of loans and loan guarantees to be available to small businesses, to be called the Small Business Metric Conversion Assistance Program. Such loan assistance would be available to businesses facing special financing difficulties resulting from metric conversion when such businesses were unable to obtain financing from commercial lending institutions. (b) and (c) Counselling services to small business will be available through the facilities of CASA (Counselling Assistance to Small Enterprises) or the Federal Business Development Bank when this takes over the responsibility for the work now performed by CASE.

5. The steps the government has taken to protect smaller manufacturing firms facing special financing difficulties are state in 4 above. There are no indications at the present time however that smaller manufacturing firms will incur heavy financial outlays for conversion or that imports from historically metric countries will be significantly affected by Canada's change to the use of metric units. As stated in the White Paper on Metric Conversion "Given a clear direction in which to go, many sectors of the nation will have few problems in conversion, provided the transitional process is wisely phased."

6. There is no evidence that conversion to metric units will adversely affect Canada's trade balance. The Government believes that Canadian entrepreneurs have at least equal ability with foreign competitors to take advantage of the change.

7. The Government would continue to respect the relevant provisions of GATT, particularly as it concerns non-tariff barriers.

8. Two general aspects may be distinguished when considering the subject of education as related to converting to the metric system: (1) matters affecting usage by the general public. In this respect, the amounts spent or allocated for the Information and Education Directorate of the Metric Commission have been as follows: 1973-73, $115,200; 1973-74, $672,300; 1974-75, $1,887,800. (2) matters relating to formal teaching in schools and similar institutions are the responsibility of the provinces.

9. Since metric conversion will proceed over a number of years in a way to be determined by the needs and opportunities in different sectors of the economy, the cost of conversion is, by that fact, undeterminable at this time. Its magnitude will depend on the pace and the phasing of conversion adopted within and without the respective sectors. As stated in the answer to Section 1 of the question the supporting data for any additional analysis do not at present exist. The White Paper states that conversion in any industrially advanced nation is a complex and costly process, but the costs are expected to be more than offset by the benefits arising from the simplicity in the use of the more rational system of units and from the improved ability to communicate both commercially and in other ways with the growing metric community. Given sufficient notice of the required conversion, costs for changes in measuring devices used in distributive trades dealing with consumer goods would not appear to be onerous for any one establishment. In a number of industry sectors the magnitude of costs will depend on the rate of conversion and could be minimized by phasing to coincide with cycles of tool design and equipment obsolescences. The experience of most countries that have already undertaken metric conversion is that actual costs have been very substantially less than estimates made by individual firms.

SHIPS UNDER CHARTER WITH CANADIAN NATIONAL

Question No. 1,733—**Mr. Carter:**

1. What are the names and number of ships under charter to Canadian National and operating in the Atlantic area?

2. What is the cost and duration of the charter in each case and the name of the company from whom they are chartered?

3. What was the cost to Canadian National for repairs to and/or maintenance of such ships since being chartered by Canadian National and operating in the Atlantic area?

Hon. Jean Marchand (Minister of Transport): Vessels under charter to CNR Atlantic Region: 1. MV *Stena Sailer*[b], MV *Marine Atlantica*[a], MV *Marine Nautica*, MV *Percy M. Crosbie*, MV *Marine Sprinter*, MV *Marine Runner*[a], MV *Marine Packer*, MV *Sarah*, MV *Clyde*, MV *Kloster*, MV *Topsail Star*, MV *Dunure*, MV *Marine Trader*.

[a]Delivery of vessel anticipated early June, 1975.

[b]To be returned to owner early June, 1975.

2.

Vessel	Owner	Daily Charter Rate	Duration of Charter	From
MV *Stena Sailer*[1]	Stena Line A/B	$5,425	13 months	May 1974
MV *Marine Atlantica*	Stena Line A/B	7,550	60 months	June 1975
MV *Marine Nautica*	Stena Line A/B	7,550	60 months	Oct. 1974
MV *Percy M. Crosbie*	Chimo Shipping Ltd.	548	36 months	June 1974
MV *Marine Runner*	Eastern Shipping Ltd.	415	60 months	June 1975
MV *Marine Packer*	Rideau Shipping Ltd.	985	36 months	June 1974
MV *Marine Sprinter*	Mose Ambrose Shipping Ltd.	450	60 months	May 1974
MV *Sarah*	The Lake Group Ltd.	1,387	8 months	April 1975

Vessel	Owner	Daily Charter Rate	Duration of Charter	From
MV *Clyde*	The Lake Group Ltd.	1,107	8 months	April 1975
MV *Kloster*	Dorman Roberts Ltd.	980	8 months	April 1975
MV *Topsail Star*	Topsail Shipping Ltd.	1,000	20 months	Nov. 1975
MV *Dunure*	Puddister Trading Co. Ltd.	1,000	8 months	April 1975
MV *Marine Trader*	Puddister Trading Co. Ltd.	1,000	8 months	April 1975

[1]Terminated

3. Cost of refit and running repairs recorded against operating accounts are: 1974: MV *Stena Sailer*, $30,306; MV *Marine Nautica*, $5,067; MV *Percy M. Crosbie*, $54,410; MV *Marine Packer*, $52,748; MV *Marine Sprinter*, $13,882. No repairs were recorded in the accounts against the above vessels for prior years.

NATIONAL HEALTH AND WELFARE—USE OF HIGH GRADE HEAVY PAPER

Question No. 1,897—Mr. Neil:

1. With reference to rising costs, does the Department of National Health and Welfare use high grade heavy paper for news releases and covers for the Minister's speeches and, if so, for what reason?

2. What is the difference in unit costs between such paper used by the Department and the lighter grade paper used by other departments?

3. What was the increased cost to the Department in using the heavier paper in the 1974-75 fiscal year?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. The Department of National Health and Welfare is currently using an average grade heavy paper for the heading page of news releases and covers for the Minister's speeches. When the current stock was ordered last spring, the more common lighter weights of paper were not available and the heavier weight paper was substituted to maintain good quality reproduction. A lighter weight paper will be used when present stocks are depleted.

2. The difference in costs between the heavier weight paper and that used by other departments varies depending on the weight of paper used and the quantities ordered.

3. The increased cost to the Department in the fiscal year 1974-75 for the heavier paper was $1,500. Since this purchase was unavoidable, a year's supply of paper was obtained and the departmental logos were printed at one time. The alternative would have been to pay a higher unit cost for a smaller quantity of heavier paper and the printing, and later in the year, again a higher unit cost for the lighter paper when it became available and for a second printing.

METRIC ADVERTISEMENT

Question No. 2,212—Mr. Cossitt:

1. With reference to the full-page advertisement appearing recently in various publications entitled: "Say Goodnight to Fahrenheit" (a) in how many publications did the ad appear (b) what was the total cost involved (c) what was the name of the advertising agency and the total advertising agency commission (d) were tenders or competitive presentations called for from various advertising agencies and (i) if so, from whom (ii) if not, for what reason?

2. Will the government be placing further advertisements in connection with conversion to the metric system and, if so (a) what is the total estimated cost (b) in how many publications will such advertisement appear (c) what is the name of the advertising agency and the total estimated agency commission (d) were tenders or competitive presentations called for from various advertising agencies and (i) if so, from whom (ii) if not, for what reason?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) 106 daily newspapers; (b) $125,494.97; (c) Maclaren Advertising Co. Ltd. No commisssion was paid by the Metric Commission; (d) No, (i) n/a; (ii) Maclaren Advertising was considered thoroughly competent to handle the project.

2. The need for advertising is always under consideration in relation to specific arrangements but no immediate amounts have been authorized.

NATIONAL FLOOD HAZARD MAPPING PROGRAMME

Question No. 2,369—Mr. Clark (Rocky Mountain):

1. As of April 18, 1975, with which provinces had the Minister of the Environment (a) discussed (b) not discussed a federal-provincial accord to reduce potential flood damages and a national flood hazard mapping programme and, in each case, where a discussion had proceeded, what was the name and position of the provincial minister or official concerned?

2. In what areas within federal jurisdiction has a high flood risk been identified and development proceeded in spite of knowledge of the risk and, in each case, what federal investment or support was involved?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. (a) As of April 18, 1975, the Minister of the Environment had discussed federal-provincial accords to reduce potential flood damages and a national flood hazard mapping program with the following:

(a) As of April 18, 1975, the Minister of Environment had discussed federal-provincial accords to reduce potential flood damages and a national flood hazard mapping program with the following:

Province	Date of Meeting	Provincial Minister	Department
Saskatchewan	February 18	Mr. Byers	Environment
Manitoba	March 18	Mr. Green	Mines, Resources and Environmental Management
British Columbia	March 14	Mr. Williams	Lands, Forests and Water Resources

Order Paper Questions

Province	Date of Meeting	Provincial Minister	Department
Quebec	March 17	Mr. Massé	Natural Resources
Nova Scotia	January 27	Mr. Bagnell	Tourism
Prince Edward Island	January 28	Mr. Clements	Community Services
New Brunswick	January 24	Mr. Dubé	Environment
Newfoundland	February 25	Mr. Dawe	Provincial Affairs and Environment

(b) As of April 18, 1975, the Minister of Environment had not met the representatives of Alberta and Ontario.

2. None.

TREASURY BOARD EMPLOYEES

Question No. 2,427—Mr. Gauthier (Roberval):

How many of the 734 Treasury Board employees listed in the estimates earn between (a) $15,000 and $20,000 (b) $20,000 and $25,000 (c) $25,000 and $30,000 (d) $30,000 and $35,000 (e) $35,000 and $40,000 (f) $40,000 and $45,000 (g) $45,000 and $50,000 (h) $50,000 and more?

Hon. Jean Chrétien (President of Treasury Board): (a) 99; (b) 150; (c) 127; (d) 74; (e) 12; (f) 5; (g) 1; (h) 1.

DEPARTMENT OF TRANSPORT PERSONNEL

Question No. 2,428—Mr. Gauthier (Roberval):

In the Department of Transport estimates, how many of the listed (a) 895 central administration employees (b) 5,537 marine transportation employees (c) 12,542 air transportation employees (d) 1,621 related ground services employees (e) 213 surface transportation employees (f) 115 Transportation Development Agency employees (g) 120 Atlantic Pilotage Authority employees (h) 901 Canadian Transport Commission employees (i) 128 Great Lakes Pilotage Authority employees (j) 94 Laurentian Pilotage Authority employees (k) 2,345 National Harbours Board employees (l) 62 Pacific Pilotage Authority employees (m) 62 Northern Transportation Company employees (n) 1,427 St. Lawrence Seaway Authority employees earn between (i) $15,000 and $20,000 (ii) $20,000 and $25,000 (iii) $25,000 and $30,000 (iv) $30,000 and $35,000 (v) $35,000 and $40,000 (vi) $40,000 and $45,000 (vii) $45,000 and $50,000 (viii) $50,000 and more?

Hon. Jean Marchand (Minister of Transport): The answer is as follows:

	Salary Distribution							
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Ministry of Transport								
(a)	113	85	31	31	2	4	—	2
(b)	385	127	48	16	1	1	—	—
(c)	2,234	1,205	200	58	4	2	—	—
(d)	48	15	6	3	—	—	—	—
(e)	43	18	14	9	1	—	—	—
(f)	7	19	3	4	1	1	—	—
Atlantic Pilotage Authority								
(g)	11	13	35	—	—	—	—	—
Canadian Transport Commission								
(h)	138	64	44	27	11	0	1	1
Great Lakes Pilotage Authority								
(i)	3	13	88	—	—	—	—	—
Laurentian Pilotage Authority								
(j)	5	3	20	1	—	—	—	—
National Harbours Board								
(k)	165	56	27	8	—	—	—	—
Pacific Pilotage Authority								
(l)	1	3	1	7	—	—	—	—
Northern Transportation Company Ltd.								
(m)	96	24	7	4	—	—	—	—
St. Lawrence Seaway Authority								
(n)	111	56	20	10	1	1	—	—

[Mr. Marchand (Kamloops-Cariboo).]

REASONS IN CANCELLATION OF PSC COMPETITION 74-AGR-CC-HA-19

Question No. 2,447—**Mr. Lachance:**

1. With reference to the answer to Question No. 2,278, will the Public Service Commission give the reasons why competition 74-AGR-CC-HA-19 was cancelled twice on the grounds of form?

2. Is the Commission considering taking corrective action in the form of selection tests to avoid a repetition of this situation?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Public Service Commission as follows: 1. Competition 74-AGR-CC-HA-19 has not been cancelled. On August 9, 1974, an Appeal Board allowed an appeal against the appointment proposed in the competition. As a result it was necessary to re-assess the candidates and to extend a second right of appeal. Several appeals were subsequently filed and they were allowed on December 17, 1974.

2. The case is currently before the Federal Court of Appeal (Case 75-A-16). Further action in the competition will be determined when the Federal Court issues a ruling on the case.

CBC—FREELANCE NEWSCASTERS

Question No. 2,454—**Mr. Cossitt:**

Since January 1, 1972, what were the names of all persons other than regular CBC news personnel who acted for CBC in the capacity of a freelance newscaster or under any contract as a newscaster (a) what remuneration did each receive (b) from what geographic areas did they report (c) in each case, how many times was their material used on CBC newscasts (d) what was the average fee paid to each per news report?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the CBC to supply such details of its internal management and administration.

* * *

QUESTION PASSED AS ORDER FOR RETURN

DREE—RESEARCH EXPENDITURES

Question No. 556—**Mr. Symes:**

1. What was the total amount of money spent in each of the fiscal years 1972-73 and 1973-74 by the Department of Regional Economic Expansion on contracts to outside persons and organizations for research, development and other consulting services?

2. What are the names and addresses of these outside persons and organizations and what amounts of money were involved in each contract?

3. What was the purpose of each contract and title of each report submitted?

Return tabled.

Auditor General

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Social Security—Blind and disabled allowances—Discussions with provinces to alleviate problems of recipients; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Supply and Services—creation of jobs in aerospace industry in Winnipeg—Government action; the hon. member for York-Sunbury (Mr. Howie)—Energy—Fundy tidal power project—Inquiry as to commencement of studies.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—SUGGESTED STRENGTHENING OF OFFICE OF AUDITOR GENERAL

Mr. G. W. Baldwin (Peace River) moved:

That it is the opinion of this House that it is necessary to declare that the power of the executive has increased, is increasing, and ought to be diminished; and, in particular, that means must be found by this House to inquire into, prevent, and correct abuses in the expenditure of public money by the Government of Canada, including the immediate passage of laws to strengthen and improve the office of the Auditor General.

He said: Madam Speaker, now that the captains, some of the kings and the movers and shakers of questions of privilege have departed, this is a most attentive audience. Probably the House is at its best when it has a limited but highly intelligent group, as it has on this side. I hope hon. members have listened with care or have read the motion which I put before the House.

Any student of the parliamentary system who may be hidden away in the House would easily recognize the wording used in the motion which I founded on a resolution adopted in the House of Commons of the United Kingdom on April 6, 1780, which reads as follows. Perhaps the hon. member for Winnipeg North Centre (Mr. Knowles) might advise us on this. But seriously, members on the government side might well listen with care to this motion passed nearly 200 years ago, which reads:

That it is the opinion of this committee, that it is necessary to declare, that the influence of the Crown has increased, is increasing, and ought to be diminished. That it is competent to this House, to examine into and correct, abuses in the expenditure of the civil list revenues, as well as in every other branch of the public revenue, whenever it shall appear expedient to the wisdom of this House so to do.

That is the famous Dunning resolution which was put forward at a time when, as is the case in Canada today, the then government held almost dictatorial powers and engaged in stupid and extravagant expenditures and foreign expeditions. It was just in the process of losing its

American colonies. Domestically, the country was in disarray, with inflation and unemployment, with over-expenditure and extravagance, with waste and corruption. All those things took place under a government which had all the power in the world to do things about the situation, just as we have a government with the same power today.

I wish I had the time to put on the record some of the things said at that time in the House. After considerable research—I went back to 1780—I found that the mover of the resolution, Mr. Dunning, made the point that on that day a large number of petitions were brought to the House of Commons protesting against the situation which existed in the country. In the words of Mr. Dunning:

That day was destined, by a previous order, to the taking into consideration the petitions of the people of England; amounting to about forty in number; and conveying their sentiments and names in such an immense quantity of parchment, as seemed rather calculated to bury than to cover the speaker's table.

Mr. Dunning went on to say, as recorded in the *Annual Register;* they did not have *Hansard* at that time:

This was, the setting limits to the increased, dangerous, and unconstitutional influence of the Crown, and an economical expenditure of the public money.

It was a very good speech, and I just hope that hon. members who have some thought and care for the people of this country and for their constituents will read what was said 200 years ago and think of the shameful way—I use the word deliberately here—in which it is necessary for us in the House to remind the government and the people of Canada of the situation which faces us today and which parallels that of nearly 200 years ago. We thought that the powers of the progenitor or ancestor of this House were firmly fixed. We find that such was not the case.

It is also rather interesting to find that so important was the issue that at page 170 of the *Annual Register* of 1780 the following statement is to be found:

The speaker, on this day, took a decided part in support of the motion. He observed, that however irksome it was to him to take any part in their debates, and however cautious he was, and ought to be, of obtruding his own private opinions on the House, there were cases, and he considered the present as one of them, in which it would be criminal of him to remain silent. The question before them, he said, was of infinite consequence to that House.

Mr. Speaker went on to make a very good speech which I would recommend to hon. members on the government side. I am sure that if Madam Speaker or others in the chair were to see fit to adopt the sentiments of Mr. Speaker in those times, there would be no objection from this side of the House to their doing so. I point this out to call the attention of the House, through you, Madam Speaker, to a situation in which we find ourselves today, of being compelled to put before the House a motion of this kind in order to draw attention to the very dangerous condition in which we as parliament now find ourselves.

We have here a tacit alliance between the Liberals and the NDP. I heard my friend, the hon. member for Winnipeg North Centre, applaud heartily a while ago the motion that was read, and I may well have to withdraw the statement which I am now making. If so, I will be glad to do so after I hear his speech. However, I have always been under the impression that both these parties believe in big government and in some measure of complete executive control between elections.

[Mr. Baldwin.]

This has completely undermined the parliamentary system and destroyed any meaningful opportunity for the taxpayer, the consumer and the voter to exercise influence through his elected representative. This is particularly the case when that executive is composed mainly of a small group of wilful and arrogant people, either former bureaucrats or those who suffer from the same social, political and intellectual liabilities in attempting to deal with modern problems. Their motto is simple: the state is ours and we do what we want with it.

● (1700)

If we look about us, total government spending is up to almost 40 per cent of the gross national product. That is all-government spending in Canada. The fact is that for this fiscal year the total spending of the federal government will probably settle somewhere between $33 billion and $35 billion after all loans, investments, advances and supplementary estimates are brought in. The President of the Treasury Board (Mr. Chrétien) may be very optimistic about the limitations on the supplementary estimates he is going to bring in, but I have been around here a little longer than he has. I have watched this happen and I have no doubt at all that before this fiscal year is over total government spending will reach at least $33 billion for all accounts.

Of this spending, approximately one-half is untouchable by this House. One-half is in the form of statutory estimates and it was held by Mr. Speaker in the last parliament that any attempt, in dealing with estimates in this House, to move to reduce them is not permissible. That is the ruling under which we are now operating. So the government can sit back complacently, knowing that some day in the month of June all of these estimates will be automatically passed. No matter what we want to do about them, there will be automatic approval and the ministers, deputy ministers and others, with the aid of their subservient majorities in the committees, can make a mockery of committees and set up all the roadblocks they wish to prevent the considered examination of estimates.

There is an energy crisis in this country, which is rich in energy but which is running 10 to 20 years behind schedule. There is a transportation mess, a lack of housing, high interest rates, problems in immigration and, of course, the black clouds of unemployment and inflation. Madam Speaker, despite the fact that this government holds very near dictatorial power, you name the problem and this country has it.

Before I go on to deal with the particular subject of the office of the Auditor General which concerns me to a very considerable extent—others of my hon. colleagues will deal with the question of the spending of the taxpayers' money, with the examination and scrutiny of the estimates in committee and in the House, with questions of secrecy and the refusal of the government to allow its civil servants to be cross-examined in committees—I would like to deal with a statement which to some extent is linked with what the Prime Minister (Mr. Trudeau) said today in his statement.

I was intrigued by a statement attributed to the Prime Minister on his recent trip to Europe when he went over there to play with his new toy, the so-called contractual

link. He was reported to have said that the people of Canada will decide with regard to our future relations with NATO. What unparallelled effrontery from this Prime Minister who bears almost sole responsibility for diminishing our association and influence with our partners in the Atlantic alliance! Canada did have influence and friendship after the last war, not because of our puny diplomacy but purchased solely with the blood and lives of Canadians.

Mr. Hees: Hear, hear!

Mr. Baldwin: Not so long ago I had occasion to stand by the beautiful cemetery at Nijmegen, which the people of Holland keep green and trim in honour of the Canadians who lost their lives there, many of them my comrades, and as I thought of the extent to which our influence and prestige has been diminished it struck me that many of the people in those graves would be resting uneasily. This prestige has been dissipated by the perverse and personal decisions by those at the top. These are not the decisions of people of Canada, not the decisions of this House but the decisions of the Prime Minister and his immediate associates. Now we are treated to the ludicrous spectacle of the right hon. gentleman crawling around from capital to capital in Europe trying to repair the damage he did. I say it is almost obscene to suggest that the Canadian people had anything to do with either of these decisions. What was done was done at the very top of our power structure.

As I said, because of the tyranny of the clock I will leave to others the charges that this government has abused its great power by the stand it has taken in refusing to divulge information and making a secret society of executive government even more difficult to penetrate, its equally medieval attitude that civil servants are exempt from having to appear as witnesses at parliamentary committees at the arbitrary discretion of ministers, and the farce of the so-called examination and scrutiny of estimates.

I would like to take some time—a short time because we do not have too much time to spend on this today—to deal with the office of the Auditor General and what ought to be done when, after years of bickering about the powers, authority and effectiveness of this office, the government having been presented with a very objective and well buttressed series of recommendations by the independent committee for the review of the office of the Auditor General, has intimated that it has no intention of acting, certainly not in the near future, on these proposals, nor has it indicated if or when it will accept them. It has gone as far as refusing to allow a committee of this House or of parliament to study the report and to make recommendations.

This follows applications I made in this House under Standing Order 43 and questions I asked of the President of the Privy Council (Mr. Sharp). I understand that there are some hon. gentlemen opposite who are sensitive. The Minister of Public Works (Mr. Drury), for many years president of the treasury board, is very sensitive indeed about the Auditor General and the powers of the Auditor General. I know that he was one of the ministers who led the fight and who is probably still leading the fight to see that this country and this parliament does not have an effective, useful and meaningful Auditor General's office and legislation to implement such a proposal.

Let us see what happened in this regard. As the power of this House has diminished with regard to meaningful examination and scrutiny of estimates, we are driven back to the final line of defence of the beleaguered taxpayer of Canada, the office of the Auditor General. Commencing some years ago in the late forties and fifties, the then Auditor General, Mr. Watson Sellar, considered that the limited provisions of the legislation found in the Financial Administration Act not only authorized but probably compelled him to examine what he ultimately defined as being non-productive payments.

I say to the House that the Auditor General is not just a financial auditor. He is a parliamentary auditor and he has the very high duty to examine payments which have been made by the executive and by civil servants to see that they follow precisely the limitations and the bases upon which they were passed by the House of Commons and by this parliament. Mr. Sellar felt that the wording of the terms of the Financial Administration Act justified him in going to the point of saying that there were certain payments which may well have followed the prescribed route which was set out by the parliament of Canada, but because they produced no obvious or apparent benefits to the people of Canada, they should be called non-productive payments and should be listed in the Auditor General's report to the House of Commons, and he suggested perhaps the government should take a look at them.

This practice was followed by Mr. Sellar's successor, Mr. Maxwell Henderson, who was appointed by the government of the right hon. member for Prince Albert (Mr. Diefenbaker). I would point out to those hon. members who have said from time to time that Mr. Henderson was taking a biased and political stance that some of the first and most difficult decisions he had to make as Auditor General involved expenditures and problems which had been created and were arising out of the then Conservative government. I think some of my friends will remember the time when Mr. Henderson demanded three income tax files because he felt obliged to examine them for the purpose of his report.

● (1710)

I say to members of the House that in the course of his duties, Mr. Henderson was an officer of parliament in the highest traditions who carried out his task in the very best way possible on behalf of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Henderson raised this issue in 1960 and 1961 with the then public accounts committee on which there was a Conservative majority. It was headed by a chairman who later became Speaker of this House and who is now a senator—Senator Macnaughton. The committee made a finding that it was incumbent upon the Auditor General to examine all so-called payments of a non-productive nature; his duty was to report to the House in respect of such payments and in particular to ascertain if they were in fact payments which conferred any benefit or value to the people of Canada.

From that time Mr. Henderson followed that practice and in his annual report listed a great many instances of non-productive payments. In due course these began to hurt. Ministers of the present government and its immediate predecessor became very annoyed with Mr. Henderson and took it upon themselves to do what they could to cut Mr. Henderson and his office down to size. It was a deliberate tactic nourished and supported by certain members of the government.

In 1966, the then public accounts committee instructed Mr. Henderson to bring in a special bill for the consideration of the committee, to be known as the Auditor General Act. He did so, I believe in 1968-69, but at that time the government, alarmed at the implications of this legislation, packed the public accounts committee with its particular praetorian guard to make sure that the bill would not be approved by the committee. That proved to be the case; the bill was not accepted and we found that the next year the bill was brought in by the government.

Mr. Reid: Based on their recommendations.

Mr. Baldwin: Yes, based on the recommendations of the really biased, very prejudiced, very partisan public accounts committee. For the first time the government took upon itself the obligation of packing that committee for the purpose of dealing with attempts by the Auditor General to secure for himself the authority, power and prestige which his office needed. It was a very shameful thing that was done by the government as a whole. I am not referring to any particular individual.

Mr. Reid: An unanimous recommendation.

Mr. Baldwin: What was the next stage? In the bill brought in by the government, specifically the then president of the treasury board, direct aim was taken at the two measures which were so essential to the retention of authority in the hands of the Auditor General. In regard to the appointment of staff, an issue which had been controversial and difficult for some time, authority was taken away from the Auditor General. The right of the Auditor General to make comments on the so-called non-productive payments was completely ruled out. That was what the bill was all about; it was a bill brought in with great words of praise by the then president of the treasury board.

We all know what happened next. This blatant attempt to muzzle the Auditor General, to tie him down and in effect make him useless to conduct a proper scrutiny of public spending, was perceived by the people of Canada as an affront to them. There was a great outpouring of public indignation and wrath as a result of which the minister and the government had to abandon the bill. Subsequently the public accounts committee authorized an internal committee consisting of representatives of the Department of Justice, one of the legal counsel to the Auditor General and the parliamentary counsel of this House, and probably one other, to bring in a model bill in the public accounts committee.

The committee took some time, but after some delay did complete its studies and had an appropriate bill prepared. That bill was never made public, however. The government took it, ran for cover and hid it. It has been under cover ever since. Quite obviously, that must have been because the bill contained clauses which were repugnant to the government. Some people may have seen it but this House has not seen it. I think this is shocking. The public accounts committee is a creation of this House, and when that committee, acting on behalf of this House, requests that a bill be prepared, I think it is a grave impertinence on the part of the government to prevent the bill from coming into our hands. I believe that was the case.

The final act in this interesting drama took place in 1973 when Mr. Henderson retired or was replaced by the present Auditor General, Mr. Macdonnell. The latter gentleman reviewed the situation and, quite properly, decided that as he was new and would bring his own views and approach, he would like to advice of an independent and impartial committee. After discussion with officials and the chairman of the public accounts committee, three people outside government service were commissioned to make a report, which they did in March, 1975, under the title "Report of the Independent Review Committee on the Office of the Auditor General of Canada".

This was a very far reaching and objective study which contained 47 recommendations. Amongst them were these suggestions: that there should be separate legislation concerning the role and responsibilities and relationship of the Auditor General; the Auditor General should have authority to issue a special report on his own volition to the House of Commons on any matter of pressing importance or urgency that should not be deferred until his annual report; the Auditor General should audit the financial accounts of all Crown corporations whose expenditures directly affect the budgetary accounts of Canada; and the Auditor General should have the right of access to financial records and documents of all Crown corporations and the power to see if value was received for payments made.

I pause here to point out that people have sometimes asked me how it is that the Auditor General can find examples of waste, stupidity and even corruption at times when members of parliament cannot. The answer is that under the Financial Administration Act there is provision that the Auditor General may have access to information, to audit documents and to cross-examine witnesses as well as the power to administer oaths to witnesses. These are powers which a fearful government is loth to allow to members of this House, the committee and the press. If we had access to such information, we also could find examples. In any event, these were some of the sensible and rational conclusions proposed after a good many months of study and discussion with people in Canada and outside the country.

I appreciate the fact that the government might not have the opportunity and the time to introduce such a bill. It seems to have got its legislative schedule in a mess because of the conflict between the Prime Minister, the Minister of Finance (Mr. Turner) and the Minister of Labour (Mr. Munro) with regard to the introduction of a budget. The government House leader has my sympathy; when dealing with colleagues like that he does not need an opposition. In any event, I can understand why the government House leader is not able to bring in a bill at this time.

● (1720)

Why should not this House provide some input to legislation which we want to see passed? There ought to be legislation on the crucial issue involving the survey and state of the public accounts of Canada. Why should not a committee of the House have that report referred to it, with instructions to make a careful study of it and, if necessary, draft a model bill? The government is not bound to accept it. I realize that the government is the master of its own destiny and can do what it wants.

I remember not many years ago, when the government of the day had to deal with the difficult and sensitive subject of divorce, that a parliamentary committee was given wide terms of reference and studied that question for 1½ years. It brought in useful recommendations and annexed to its report a model bill which formed the basis of the bill introduced later by the minister of justice of the day who became the present Prime Minister. The Prime Minister, when acting as minister of justice, showed his conservatism. I spell that with a small "c" because I do not want my social standing to be impaired. Nevertheless, he introduced the bill. It was not as far reaching as it ought to have been. I cite this as an example to show what can be done usefully by a committee of this House in dealing with problems of the kind I have mentioned.

It is grossly wrong of the government House leader—this is part of my complaint—to refuse to discuss with myself, the hon. member for Winnipeg North Centre and the House leader of the Créditiste party terms of reference under which this matter could be considered by a parliamentary committee or by a committee of this House, as the case may be. The government, if it were to bring in legislation, would have the benefit of that review if there were such committee consideration. I think it is very wrong indeed of the government to refuse us the right to provide some input into those recommendations which the government will take into consideration when it decides to deal with that legislation.

It will not have escaped your notice, sir, that no vote is attached to this motion. If there were a vote, it would of course be defeated. The government whip would whistle up his honourable bodies and there would be no chance for our motion to pass. I think it is a waste of time calling some of these votes. I suggest, through you, Mr. Speaker, to members on the government side and to the people of Canada that the grave crisis and predicament which we find ourselves in at this time with regard to the public accounts of this country, with regard to the indications of gross mismanagement, over-expenditure, waste, extravagance and the government's dictatorial and tyrannical conduct call for the most careful consideration. Time is running against us and I should like to think that some consideration will be given to the proposition I have put before the House.

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, I am delighted that the opposition has given me the opportunity to keep in shape.

Mr. Stanfield: Penalty killing.

Mr. Chrétien: I am really amazed by the hon. member's motion. It is almost unbelievable. When I was practising as a country lawyer I never saw people pleading guilty in this manner. This is unbelievable. Hon. members opposite cannot do their job as an opposition criticizing the government, and now they want someone else to do their job. They want the Auditor General to do it. We have given the opposition 500 hours in committees to examine government expenditures. All they can do is come forward with a motion which reads:

> That it is the opinion of this House that it is necessary to declare that the power of the executive has increased, is increasing, and ought to be diminished—

The hon. member who spoke on the motion did not substantiate his case. I do not know what he means. I presume he spoke to take up time in the House. The motion continues:

> —and, in particular, that means must be found by this House to inquire into, prevent, and correct abuses in the expenditure of public money by the government of Canada, including the immediate passage of laws to strengthen and improve the office of the Auditor General.

Mr. Alexander: A very good motion.

Mr. Chrétien: Well, it is a motion, exactly what I was expecting. We are living in the twentieth century, not in the seventeenth or eighteenth centuries where the Conservative Party is. This motion takes us back 200 or 300 years. It could have been moved in England in 1780. You know, I was not very old then. I thought the opposition would come to grips with the difficulties modern governments must deal with in the twentieth century; instead, they move the sort of motion which belongs to 1780 and talk about Sir John A. Macdonald, and so on. They have not dealt with the realities of modern government. This is amazing. Yes, a report was prepared.

Mr. Baldwin: And you hid it.

Mr. Chrétien: Yes, we got it.

An hon. Member: And it was tabled in the House.

Mr. Chrétien: And it was tabled in the House.

Mr. Baldwin: You hid the bill.

Mr. Chrétien: We will have the bill. It is going to come. We received a report a couple of weeks ago, and the opposition wants us to table the bill today. We cannot do it. They want us to follow a procedure which will take months and months, and perhaps years. We cannot wait that long before coming to grips with the problem. We tabled the report and we have started to work. This government has started to act. We do not talk, as the opposition likes to do; we are willing to move and we have said in the House that we are preparing legislation.

Mr. Baldwin: You have not said that.

Mr. Chrétien: The hon. member uses strong words. I do not use them because I do not try to impress anyone. He talked about the committee preparing a bill and about wanting the Auditor General to be respected. We have great respect for the Auditor General. This bill was put aside at the request of the new Auditor General because he wanted time to look into the situation. He wanted to know what the situation was.

Mr. Baldwin: It was hidden several months before then.

Mr. Chrétien: It was put aside at his request. We think the new Auditor General was rational in wanting to look at the situation and at the report. Hon. members opposite want the Auditor General to do the work of the opposition, not to act like an Auditor General. I do not think it is proper to have an outside officer look at the expenditures of government to judge whether parliament sets the right priorities. The role of the Auditor General is that of a judge. He must look into government expenditures and determine if money was spent according to the laws of the land. The laws of the land are passed by parliament, and we follow the wishes of parliament.

The hon. member spoke about wasteful spending, but in his half-hour speech he did not raise a single instance of wasteful spending.

Mr. Baldwin: If the Auditor General were a judge, many people would be in jail.

Mr. Chrétien: I am President of the Treasury Board and have many friends in this House. I have yet to see a member of parliament, especially from the opposition, come to me and suggest that I should cut expenditures in his particular area. They all come to me and ask me to intercede with the Department of Public Works and see that a wharf or facility, and so on, is built in their area.

An hon. Member: You are talking about government members.

Mr. Chrétien: No; the opposition is exactly the same. It is amazing how they want you to spend money on this and that—

Mr. Baldwin: Mr. Speaker, I rise on a point of order, as I am entitled to, and point out to the minister that on two occasions recently we moved motions in this House to reduce government expenditures but the government voted them down.

Mr. Reid: The motions involved ministers' salaries.

● (1730)

Mr. Chrétien: The Conservative House leader made an unbelievable speech today. He did not make one single point on the basis of this report suggesting anything to the government on the basis of the Wilson report. He did not take a single one of the recommendations and suggest what should be done. He spoke only in generalities and never came near to being constructive, as an opposition should be.

That is why, when the great choice is put before the people of Canada, even though we are not perfect they take a gamble on us rather than try that other gang over there, because they know those people cannot put their minds to a problem and come up with a constructive proposition.

Of course the government spends a lot of money. Earlier today I listened to the Leader of the Opposition (Mr. Stanfield) suggesting that the equipment in the hands of our men in Europe was no damned good. I am not an expert on these matters, but I am certain that if we took measures to buy new planes, or guns, or whatever, the opposition would accuse the government of wasting money. They should face the implications of their own speeches. However, because they are so much in contradiction with themselves, no one takes them seriously.

Today we are considering government expenditures. I would remind hon. members that the government has no control over most of these expenditures; it is the House of Commons which controls them. For example, if I wanted to cut one cent from the old age pension I could not do it. I wouldn't do it, of course. But don't let hon. members opposite blame me because I am not cutting such expenditures; there is not a single man on the opposition side who would vote for a reduction in the old age pension and all those other measures. The same goes for any other programs of that kind which have been passed into law. The so-called strong executive we hear so much about has no control over these expenditures which were voted by the House of Commons. So the opposition should stop this nonsense saying that the government is spending $28 billion. Yes, we are spending $28 billion, but the portion of that expenditures over which we have direct control is very small.

When people talk about the take of the federal government in relation to the share taken by others, there are a few things I should like to tell them. The national accounts show a totally different profile of federal government spending trends than the motion implies. In 1974 only 6.1 cents in every dollar was spent on the purchase of goods and services and capital formation, compared with 8.5 cents 20 years earlier. This hardly seems like the prescription of a power-hungry executive arm of government. In that same period when the rate of these types of expenditures was increasing by more than a quarter in relation to gross national product, the provinces were in the process of doubling their expenditures in these areas.

Mr. Baldwin: Prodded by you!

Mr. Chrétien: Since when are we running the provinces?

Mr. Baldwin: All the time.

An hon. Member: We wish we were.

Mr. Chrétien: Yet it is the federal government which is characterized as the villain by the opposition. This is precisely the area of federal expenditure—goods, services, and capital formation—which seems to be attacked day after day in this House as having gone wildly out of control.

But what, hon. members may ask, happens to all the rest of the money which is collected in taxes if only 6.1 cents of every dollar goes to direct federal expenditures like national defence, physical works of all kinds, public works, salaries and the like? Those items totalled only $8.3 billion in 1974, and the central government taxed Canadians over $29 billion. The simple answer is that this parliament and its predecessors have committed themselves in various ways to improving the degree of social justice and equity for all Canadians by guaranteeing certain minimum levels of resources to ensure, as far as possible, that none of us thrives unduly at the expense of a less fortunate neigh-

bour. If you like, it is the price of being civilized, and it cannot be cut with impunity.

Mr. Baldwin: What a price!

An hon. Member: Who said that?

Mr. Chrétien: I am saying so, and there are a lot of people who subscribe to that thesis because we have won a lot of elections on that issue.

Mr. Baldwin: The price is not right.

Mr. Chrétien: The point I am making in the context of this motion is that the indirect expenditures to which I have referred are mainly parliamentary commitments by which the executive is bound, and they can be changed only by parliament. The executive does not have the power to alter such things as old age security payments at its own discretion.

Mr. Baldwin: What about the meat?

Mr. Chrétien: Since 1974 such transfer payments as those for old age security, guaranteed income supplement, unemployment insurance and family allowances—all amounts destined to be spent by individuals rather than by governments—accounted for more than $8.6 billion. Another $6 billion was collected by the federal government and turned over to the provinces to be redistributed by them to individuals, groups, and local governments.

Mr. Stanfield: I will read it in *Hansard*.

Mr. Chrétien: Bonjour, Mr. Stanfield. Add to this the fact that more than $2 billion was distributed in subsidies to farmers and by way of incentives to encourage business to locate in areas of high unemployment, and one wonders how the opposition can become so desperate as to claim the need for a reduction in the administrative capability required to remain fully accountable to parliament in carrying out its wishes.

I would remind hon. members that we spend 500 hours a year examining estimates in the standing committees. When one attends these committees one is amazed by the pettiness of the questions which are asked there.

The other day the hon. member for York-Simcoe (Mr. Stevens) spent a whole day talking about the potted plants we have in the Treasury Board offices. There is an old man, 87 years old, who read about that in *Hansard*. He happens to be my father. He took a trip from Montreal to see what the scandal was about. He went to the department for the first time and then he told me, as we say in French, "That was nothing à fouetter un chat. We have better than that in the old folks' home in which I am living." But it is the kind of petty politics which the opposition plays when we give them 500 hours in which to examine the expenditures of the government.

My father is a layman, a good Canadian who worked for 50 years in a factory. And he would not believe we could spend time on petty things like that.

Mr. Baldwin: Was he out on Harrington Lake?

Mr. Chrétien: Oh, the opposition has great fun speaking about the Prime Minister's house. I do not have to defend the Prime Minister (Mr. Trudeau). But what beats me is the way they like to talk about that big Cadillac of his. I know that guy; I have known him for many years. That is the last thing he would travel in—a Cadillac. It's not his style! When we were both practising law he would go to work on a motor cycle, and people could not believe that a lawyer like the Prime Minister, defending unions, would come to Shawinigan from Montreal on a motor bike. But because he is now Prime Minister the RCMP has decided that he should travel in a car like that. I am sure he hates to be in that big car—he would like to drive that little quick one that he owns. That is more his style.

Mr. Baker (Grenville-Carleton): He should have the opportunity.

● (1740)

Mr. Chrétien: It is not wise to have debate and to spend hours or days in the House speaking about matters such as that. But because certain Canadians have put up money to build a swimming pool at the Prime Minister's residence, this is supposed to be a big scandal. It is not the Prime Minister's money, and this swimming pool will be used by future Prime Ministers. I should like to think that one day one of you guys over there will be able to take advantage of it, but the way you are handling yourselves in the House that will not happen for a very long time.

We like to have constructive criticism, but the motion before the House today is not that at all. I might tell hon. members that we are working on the Wilson report. We had two options with which to deal. We could have sent this report to a committee and then waited a year for a report back, study it in cabinet, then bring in a bill which we would send the committee, where it would be another year before it became law. But we have decided to take faster action, and I ask hon. members to judge that. The easiest solution for us would be to send the matter to committee and wait for a report back.

Mr. Alexander: Your front bench support has left.

Mr. Chrétien: Do not worry, they have confidence in me. They know there is no substance to these allegations. I do not understand why we spend so much time on this matter. We have stated our policy. If in the fall or during the next session the government does not bring in a bill, then hon. members will have a good point. Then will be the time to tell me I have not produced. I am doing my best right now.

Mr. Baldwin: Why could not we have some say about this? Why are you afraid of us?

Mr. Chrétien: This report was tabled a few weeks ago.

Mr. Baldwin: I do not have the time to wait another ten years.

Mr. Chrétien: We should go to the substance of the problem. Hon. members say the power of parliament has been removed. The House still had direct control over expenditures and budgets, but the point is that the House of Commons does not want to take action on these things.

Auditor General

Mr. Reid: Parliament has the power to reduce expenditure.

Mr. Baldwin: With that slavish majority over there, that is nonsense.

Mr. Chrétien: For a while we had a minority.

Mr. Alexander: You were good then. You behaved yourselves.

Mr. Chrétien: The people of Canada decided to put all their confidence in one party and they put an end to that situation. We would have been quite happy to share power with hon. members opposite at times, and at other times with the NDP. We were supported by the NDP more, because hon. members opposite were not smart enough. They could have used the situation to get a more conservative administration of sorts, but they kept on playing politics. They always play politics, Mr. Speaker, instead of coming to grips with problems and offering constructive solutions.

Hon. members opposite are always moving motions that produce nothing but a few speeches. I do not mind, of course, because I have to get in shape for the next election and I need the practice. However, I could use my time for other matters that are more meaningful. As I say, we will bring in a bill which will go to committee. If this takes a year, then hon. members opposite can get up and blame me for not delivering. We are here to be blamed if we fail, but we have not even started to take action yet.

Mr. Baldwin: You are afraid to debate the report.

Mr. Chrétien: We are not afraid, but we do not want to lose time. We want to implement some of the good points in the report as quickly as possible, and this is why I should like some constructive criticism from the opposition. Instead, Mr. Speaker, they have gone back to 1780 and governments of that day. Perhaps we would have had more entertainment by reading some of those ancient speeches than listening to the kind of nonsense we have had today.

We hope the opposition will address themselves to the serious problems facing this nation. In less than a month we will have a budget. This would have been a good occasion to tell the government whether to cut expenditure or increase it, and if we should spend more, where we should spend that money. Or they could tell us where to make cuts. Instead they sit back and wait until the decisions are made, and then complain because those decisions are not what they want. The people of Canada would like to know what the opposition feels is the best thing for the Minister of Finance (Mr. Turner) to do.

Mr. Baldwin: He has not made up his own mind yet.

Mr. Chrétien: Of course he has not. He is waiting.

Mr. Baldwin: Waiting for us to advise him.

Mr. Chrétien: He is waiting to hear what hon. members think, but they do not offer any constructive proposals. They have three leaders in that party over there, four critics on economic policy, and so on. Perhaps one day they will all be able to get together.

[Mr. Chrétien.]

Mr. Baldwin: Do you follow Munro or Turner?

Mr. Chrétien: We do not fight outside; that is one great quality of the Liberal party. We fight inside and have a lot of discussion, but we know that when the time comes for the good of the country we will stick together. The people of Canada want constructive leadership, and that is what they cannot find among members on the other side. We have our differences. We do not agree all the time. If ever an hon. member opposite becomes President of the Treasury Board, he will soon discover that very few members of the government agree with him. But when the time comes we unite because we know that in difficult times the people want leadership.

Mr. Baldwin: You unite because you love your jobs.

Mr. Chrétien: I will listen to what hon. members have to say, but so far I am not impressed by the motion. It seems to me this is one more day lost. We would have spent the time more constructively if we had debated a bill. We are losing many days by futile debate of irrelevant matters. We have stated our policy, that a bill will be brought forward in the fall or next session. If the bill is no good, then tell us at that time. If I do not bring forward a bill within a reasonable time, let hon. members opposite make a motion and tell me that I have not done my job.

Mr. Baker (Grenville-Carleton): We will remember that.

Mr. Chrétien: What burns me up, Mr. Speaker, is being criticized for nothing. I do not mind being criticized if there is substance to the criticism; but criticizing me for nothing, as hon. members are today, is a waste of parliamentary time. It may very well be that legislation that is good for Canada will not be passed because of this debate.

We hear all sorts of nonsense about so-called waste of expenditure. The opposition has a kind of Watergate syndrome, always thinking that there is something sinister about the government. I think our system in Canada is a good one, but if we continue to use these days to waste time like we are doing today the people will become even more cynical about this place.

● (1750)

Mr. Baldwin: Have you been reading the evidence in the Hamilton trial lately?

Mr. Chrétien: That is the kind of innuendo and so on I refer to. We have a parliamentary system in which we do not go on fishing, expeditions, but when there is a fish caught we fry him in court right away, and that is what we are doing. This kind of innuendo and so on is the sort of thing with which you can kill your mother or your wife. It is like meeting a friend who says that your wife was not home this afternoon and your neighbour was not home this afternoon. He does not say they were in the same bed, but this is the kind of thing that is implied. When you have an accusation, you should make it.

Mr. Baldwin: What do you do with a dredge, boil it or fry it?

Mr. Chrétien: Those guys are close to the stove now. We will see whether the judge decides to put them on the stove or not. That is not our function.

Mr. Baldwin: You hid it until after the 1972 election.

Mr. Chrétien: This is the system we use because we do not want to tarnish the reputation of people for no reason. We should not do that. We should respect the rights of people, but with all these rumours that circulate a lot of people become cynical about politicians.

I have been in this House for a long time, and let me tell you that there are very few guys who sit in this place who are crooked; but because of all this innuendo all politicians are put in the same basket. What we must have is respect for this House and the elected people in this country. In order to get this we must collectively stop this kind of nonsense.

When we have an accusation to make we should make it, and then stand by it. That used to be the rule in parliament, but the situation is no longer like that. This is why people are cynical about us as politicians. The people who come here to all parts of the House are members who want to serve, but people are cynical about members here because too many people play this little game to score political points.

As a result of the poll conducted in Quebec last week we are now right down in the last position. This is a result of these innuendoes and unsupported accusations, and I say this is unjust. Most members of parliament have lost a lot of money and have made many personal sacrifices in order to serve their constituents, no matter to what party they belong. By playing this little game we, as members of parliament, are destroying each other. We have reached the point that it is sometimes embarrassing to admit to being in public life. We should be very careful in trying to score political points at the expense of the other guy, because this is why our political reputations are going down the drain.

We should spend our time trying to be more constructive and attempting to pass good legislation. We should put our accusations on the table. This is what the government does, and then it stands on its own feet. Hon. members should make their accusations and the government will listen to them and then take action.

An hon. Member: The government never listens.

Mr. Alexander: You listen but you don't act.

Mr. Chrétien: Mr. Speaker, I think my time has expired so I will thank hon. members for giving me the opportunity to practice my bad English.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we have had a pretty full and entertaining afternoon. Perhaps the House would consider calling it six o'clock now.

Mr. Deputy Speaker: Is it agreed that we now call it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock tonight.

At 5.55 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, the speeches made this afternoon by the hon. member for Peace River (Mr. Baldwin) and the President of the Privy Council (Mr. Chrétien) are the kind of speeches one likes to follow in the sense of wanting to reply to some of the points that have been made. That is a temptation to which I may yield for a moment, but actually I take part in this debate because I have a suggestion I should like to make. It is not the kind of suggestion that will be acted on tonight or tomorrow morning. However, it is something I should like to throw into the discussion which takes place with regard to the question of parliamentary control over expenditures.

As I mentioned, before I get to the serious part of what I want to say or what I hope is a constructive suggestion, I wish to comment on one or two things that were said. Hon. members will not be surprised if I say I was wondering this afternoon, when the hon. member for Peace River on behalf of his party was complaining about excessive and extravagant expenditures of public money, where he and most of his friends were during the last few weeks when bills were being put through the House to increase salaries of members of parliament, senators, cabinet ministers, judges, lieutenant-governors and so on. If we are to preach restraint and speak against extravagance I believe the place to begin is right here.

Another comment I should like to make is in response to the remarks of the President of the Treasury Board. He referred to his efforts this afternoon as another practice session. I can assure him that he is becoming well practised in dealing with motions of this kind. It is always a delight to listen to him. I must say, however, that when he makes the assertion that the government is not exercising too much power, that is really all it is, just an assertion. When he stands up and says, "But we won the election", I tell him that has been the excuse of every government majority I have seen in this House of Commons.

It is perfectly true that the Liberal Party came out of the election in 1974 with an overwhelming majority. The President of the Treasury Board thinks that the people of Canada really wanted it that way. Maybe they did on July 8, 1974, but I suggest that the people of Canada have been thinking it over a good deal since then. I suggest they realize that governments which have overwhelming majorities sooner or later become arrogant. The trouble with this government is it is not later, it is sooner.

The appearance of having all the power and therefore being free to put off decisions about major issues is something that is annoying the people of Canada, and is expressing itself on the part of the people in the feeling

that all they have today is a government with so much power that it can just sit there until the eve of the next election and not really try to cope with the problems facing the country. I think of such problems as housing, unemployment, inflation and pensions. What attention are these problems receiving? I contend that the thrust of the motion before us today, in its argument that the government is exercising too much power and is being careless in the spending of the people's money, does reflect the thinking of many Canadians today.

● (2010)

I hope that since every month we do get a little closer to the next election—it is probably a little more than three years away right now—the government will realize that time runs out and that if the attitude of arrogance is established for two or three years, or three and a half years, it will be in vain to try to dispel that attitude during the next election campaign.

However, I said that I did not want to get into the contest between the Liberals and the Conservatives over who was the blackest but rather that I had an idea that I would like to throw into the discussion of the problem of parliamentary control of expenditures. It is a very real problem. It is a problem not just because the Liberals or sometimes the Conservatives are in power.

The problem arises from the fact that the Government of Canada is a heavy spending operation—somewhere between $25 billion and $35 billion a year are spent. When one considers that that amount of money has to be collected and spent with some degree of propriety, it becomes a huge operation, and the possibility of its being done with adequate checks is somewhat slight, to say the least.

Through the years of parliamentary history in the United Kingdom and in this country we have tried to cope with this problem of controlling public expenditures by means of procedures surrounding the granting of supply. Way back in this House we had the practice, which was in vogue in Britain a few hundred years ago, to the effect that before any supply could be granted, grievances could be expressed, and so on. For a long time we had in the House the practice of taking all estimates, every last dollar, into a committee of supply, which was a committee of the whole House. I think it could be said that in those committees some decades ago we did a fairly good job of questioning those items dollar by dollar. But the fact is—and nobody is to blame for this—that the operation had grown so large that it became impossible to continue to deal with all the estimates here on the floor of the House and in committee of supply.

So we tried the idea of referring estimates to committees. We tried that some years ago. We even had a committee called the committee on estimates. But that did not seem to work very well. So then we tried the idea of limiting the number of days in which the estimates could be dealt with on the floor of the House. That soon became a frustrating experience because all the ministers had to do was to just wait until time ran out and then their estimates were passed.

Then we tried again the idea of referring the estimates to committees, and in effect that is the regime that is being practised now. But we find that to be not very satisfactory. Those who sit on the Standing Committee on Agriculture are not sitting there as accountants trying to save money; they are sitting there with an interest in agriculture, and they want money to be spent on agriculture. Those in the Committee on Health, Welfare and Social Affairs have the same approach, and so on. So we are really not getting a study of estimates with a view to checking or limiting expenses.

This very session we are trying an experiment to see if we can correct the situation by bringing the estimates of some of the departments back to the floor of the House for a day or two at a time. I think we have had some pretty good debates on some of these days, but again the efflux of time results in the estimates being passed. Let us be frank about it. With all the good will in the world and all the impartiality we can muster, we have not yet found a satisfactory way of controlling expenditures in any ongoing sense. Some will say that that is why we have an Auditor General.

The hon. member for Peace River is strongly in favour—and I agree with him—of the idea of strengthening the role of the Auditor General. We also have the Committee on Public Accounts. But so far as we in this House are concerned and so far as the public of Canada is concerned, the operations of the Auditor General and of the Committee on Public Accounts occur after the fact.

The Committee on Public Accounts gets as its terms of reference the public accounts after the financial year is closed, and sometimes it is a long time after the year is closed. And the report of the Auditor General is a report on mistakes that were made in the past. This has to be done and it is supposed to have a salutary effect, but in fact it does not provide for any checks on the expenditures while they are being made. I know that the Auditor General's operation is not only a *post factum* operation but that he has the authority to make ongoing checks in the departments to make sure the departments are not spending money for which there is no parliamentary authority.

What we have not come to grips with yet is the possibility of there being parliamentary control over the decisions as to how money is to be spent. We get the estimates, that Big Blue book, and by the time we get them, they are an accomplished fact. The Treasury Board has decided that these are the estimates. We can discuss them, we can try to reduce them, we can complain about them, but there they are. We in parliament have no part in deciding where that money is to be spent or how much money is to be spent.

I can imagine that some of my friends in the House who, like me, are interested in procedural matters will say that that is part of the way in which responsible government works. The government makes the decisions, it brings in bills or estimates, and then it stands or falls depending on whether the House supports what it does.

I have been around here a while; I am a traditionalist; I like the ways in which parliament is operated, and I suppose I could say, let us stick with the good old ways in which it used to be done. But I wonder if we should not do some hard thinking about this and come up with a way in which members of parliament of all parties in some appropriate committee can have a hand in the decision as to how the money will be spent before it goes into the Blue Book of estimates. Once the items are in that book, all of our

discussion in committee of supply, in standing committee, or on the floor of the House, does not change it at all. I should not say that in absolute terms—I have seen one or two dollars changed in a few decades—but in reality nothing is changed.

All the discussion we have afterwards in the Committee on Public Accounts, or among the public on the basis of the Auditor General's report, does not change a thing except for drawing attention to some sins, the result of which is that some of those sins are not committed again for a little while.

What we really need is parliamentary participation in the decision as to how money is to be appropriated, where it should be spent, for what purposes it is to be appropriated, and so on.

As I say, Madam Speaker, I fully realize the conflict between this approach and the idea of responsible government, namely, that the government makes the decisions and all we can do is to say yes or no. But perhaps that idea needs to be considered carefully in light of the complexity of democratic government in a country like Canada today when we are spending $30 billion odd, when we have hundreds of thousands of persons who are working for the government, when we are involved in the lives of our people from the cradle to the grave, perhaps not as much as I would like it to be but certainly a lot more than was the case a few years ago.

● (2020)

Perhaps the sacred notion that only the government can produce that Blue Book and put it before us has to be revamped. Perhaps the sacred right of members of parliament, as the representatives of the people, to have some say about how the purse is distributed should prevail, and we should establish some kind of committee which could have some say in how the money is to be appropriated before it gets into that Blue Book.

I am a party to the experiment we are conducting in this very session. As I have already said, I think that some of the days we have spent on estimates have been worth while. I am prepared to go further and say that I think under our present system perhaps one or two departments per year should come before us without time limit, so that we can really hold the ministers at bay until we get satisfaction about their estimates. But even if we achieve that, we would still be dealing with proposals for expenditures after the fact. In that situation it is inevitable that most of the comments from the opposition side will be comments of criticism and complaint.

The President of the Treasury Board is quite right that members of the opposition complain about too much money being spent on one thing, and then they come along and want more money spent on something else. I will accept that criticism myself. There are things we spend money on around here which do not deserve it, and I think the poor, people on low incomes, those who need better health care and those who need better pensions deserve more money put their way. It is not satisfactory and it is really frustrating that all we are able to do is address ourselves to these things after the horse has been stolen from the public treasury, if I can produce an awfully mixed metaphor.

As I said when I began, I do not expect an idea like this to be approved tonight, tomorrow morning, or perhaps even in this session's Standing Committee on Procedure and Organization, but I throw it out, and I throw it out as strongly as I can. I do so as a traditionalist in terms of parliamentary procedure who still likes it the way we did it when I first came here. Granted, we were spending so little money then that we had plenty of time to do it in the old way.

What we need is a new approach to the spending of money. Even if we do not make the same change with respect to legislation, even if the government has the say as to what bills it brings before parliament, surely in terms of the proposals for the spending of money there should be some input into the making of those decisions by members of parliament as a whole before the fact, rather than afterwards. I think if we had something like that, it might be tougher on us in the opposition—we might have to take more responsibility for the decisions—but I believe it would be a better and more responsible way of discharging our task as the guardians of the public purse.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I am pleased to deal with the motion of the opposition:

> That it is the opinion of this House that it is necessary to declare that the power of the Executive has increased, is increasing, and ought to be diminished; and, in particular, that means must be found by this House to inquire into, prevent, and correct abuses in the expenditure of public money by the government of Canada, including the immediate passage of laws to strengthen and improve the office of the Auditor General.

Madam Speaker, I think the excessive powers of the present government is the cause of the financial dictatorship exercised by that government. Who is responsible for that dictatorship of the federal government over Canada as a whole which is extended to the provinces?

The federal government was certainly wily with the provinces when it took from them the taxation rights it has exercised for years.

Today, the government is blamed for its tremendous spending powers. I quite agree, but that situation did not originate with the present government. For over 30 years, succeeding federal governments have taken advantage of their sound economic situation to increase their expenses at the same rate as their tax revenues.

Municipalities and school boards complain that the provinces are infringing upon their fields. The provinces voice the same complaints with respect to the federal government which interferes increasingly every year into exclusively provincial fields. While everyone protests loudly against federal infringements, the government apologizes and even strengthens its hold, claiming that it is only trying to save the provinces. Indeed, the federal government, the great protector of the provinces!

It is to improve social justice, as the president of the Treasury Board (Mr. Chrétien) said this afternoon, and the same minister added that although the government doubled its expenditures, it is not any worse than the provinces which have doubled their expenditures also. But he forgot to indicate that the provinces are still directly responsible for matters of health, highways, agriculture

and all the sectors devolved upon them by the constitution.

Madam Speaker, the President of the Treasury Board greatly disappointed me today all through his speech. I usually like to listen to him, for he is serious, but today, I do not know what sort of wind was blowing, I did not appreciate at all his speech.

● (2030)

I wondered: Is it possible that I could have travelled 500 miles to attend such a speaking contest. He said to the opposition members: If you really want us to work, make us serious proposals. But whose duty is it to make proposals, Madam Speaker?

Whose duty is it to bring forward legislation in this House? The minister seemed to forget that the government does have this authority. And the minister went on: We do not have any control because 50 per cent of the estimates are controlled by the House. The minister knows quite well that every budget is submitted by the government to the consideration of the House and, of course, the majority government always approves it by a majority vote.

If the minister lost control, it is certainly not due to the opposition, but perhaps to the excessive number of technocrats to whom he gave, not to say yielded, all his powers. When he says that expenditures have doubled, he should add that the number of those technocrats has also doubled. The minister also said that we have no time to lose, because we must live in the twentieth century.

The time has come to call the government to reason, to convince it that accumulated deficits will never produce real worth for the country. Even if we discuss government expenditures during 500 hours, we will have lost our time if a negative vote from the government and government members destroys the work of Parliament. This is not the time to play politics in expectation of forthcoming elections. This is the time to administer and save public funds.

We received the new Auditor General's report. I did not read it through, but had a quick look at it. I hope it will be taken seriously by the minister and implemented. I hope the report does not raise government's anger as did the one by the former Auditor General who was forced, although under cover, and I stress forced, to leave his post, because probably he was not looked upon favourably by the government. For this reason, I extend to the new auditor the wish not only that he remain in favour with the government, but also that he stand his ground, that he remain independent in his role. Because I believe that a country's Auditor General must not be influenced by government. The Auditor General's office must be permanent, independent and free to act.

Unfortunately this has not been the case in these last years, with very unfortunate disputes centering on the Auditor General. As long as everyone's function is not respected, as a group with responsibility is not garanteed the freedom to discharge that responsibility, the country will suffer. Everyone is now complaining that government expenditures are too high. That may be true! There certainly are oversights, because we see in the auditor's report eye-opening remarks. There is stated for instance, in paragraph 54, that the auditor recommends adequate control over the defence industry's productivity program.

[Mr. Gauthier (Roberval).]

I do not wish to read all these data. I shall simply refer to the titles, for I do not have too much time and I simply wish to call the ministers' attention. Because he told us in his speech this afternoon that he would introduce the bill in connection with this report.

We are waiting for this famous legislation, but we are also waiting for the recommendations of the board to be included and not to be put aside.

There is another remark at paragraph 55, and I quote:

55. Internship Salaries Improperly Retained by Canadian Forces Medical Officers.

And paragraph 56 reads:

56. Shared Costs under Assistance Contracts not Verified.

These remarks are rather serious, Madam Speaker. I continue the quotation:

In our 1972 Report (paragraphs 105 and 107) two instances were given of the Audit Services Bureau of the Department of Supply and Services being unable to give an opinion as to the costs of contracts providing Crown assistance to Canadian manufacturers.

It is then recommended that in the future, the government submit these contracts to the auditor who will be entitled to inspect them.

Then, paragraph 57 says:

57. Unauthorized subsidizing of Non-Government Laboratory.

"Unauthorized subsidizing".

If in studying the law, we notice weaknesses in our own constituency concerning unauthorized contracts, and if the auditor and his office have the time to study each item seriously, they will find that action was often taken without the knowledge of the department. It would be appropriate to call the attention of the minister to these weaknesses.

Then, at paragraph 64, we can read:

64. Questionable Payment of Costs of Maintaining Leased Housing.

We may wonder if this concerns housing which was leased and for which the rent was subsequently increased without justification. In some measure, this is what the auditor wants to bring to the attention of the minister.

Paragraph 66 reads:

66. Lack of Authority to Credit Interest to Special Account.

67. Expenditures made Without Proper Authority.

Section 29 of the Post Office Act, R.S., chapter P-14, provides:

The Postmaster General may, without public advertisement, enter into a contract with any person operating a railway, air, bus or common carrier ship service, but no such contract involving an annual expenditure of more than five thousand dollars may be entered into without the approval of the Treasury Board.

Paragraph 68 deals with the duplicate payment of disability pensions. All mistakes done in the accounting, Madam Speaker—without the work of an auditor, an audit office, we could never know about them! I am sure it is like with unemployment insurance in those offices. Inevitably, the men who work in those offices are subject to mistakes like anyone else, and I think that is where you see the importance, the need of having an Auditor General's office that is absolutely free and can have access to all documents in order to inform Parliament on what is happening within the administration. Paragraph 69 deals with

losses through the fraud, default or mistake of any person. That is again a human matter—there are some ten cases mentioned in respect of those losses. And there is defalcation at a Canada Manpower Centre. This has to do with employment offices, defalcation at a Canada Manpower Centre—it is serious enough—and I think that in a report such as this in which we see all departments screened they become interested and must keep that report in mind. I think that every department must read that report carefully, and when the legislation is introduced, there will be provisions to prevent such things from happening.

It also says:

> Other cases that the Auditor General considers should be brought to the notice of the House of Commons in accordance with section 61(1) of the Financial Administration Act
>
> 73. Weakening of parliamentary control.
>
> All estimates of expenditures submitted to Parliament shall be for the services coming in course of payment during the fiscal year.

I believe the minister is well aware of that. That is where the Auditor general gives notice to the government of the carrying over on the previous budget of several unspent amounts of money on the current year budget. I believe and I hope that the minister, as he said this afternoon, will take this report into serious consideration and will accept it as his own so as to introduce legislation. He asked the opposition party to make suggestions, proposals to him, but let him introduce the legislation. It is not the opposition that will introduce the legislation in this House; let him introduce it and we shall see what it contains. We shall examine it to see if it includes all the guarantees needed to ensure, on the part of the Auditor General, a free discharge of his duties and I believe that from that time on, we will work seriously in this House, Madam Speaker.

● (2040)

[*English*]

Mr. R. Gordon L. Fairweather (Fundy-Royal): Madam Speaker, the part of the motion which concerns me is that part having to do with the power of the executive. I want to discuss accountability and secrecy in government, a perennial difficulty which might be seen in a different perspective, depending on where one sits in this chamber.

It seems to me that if the government could devise ways of being more open with parliament and the people, it would gain substantially in the passage of measures which it wishes to bring before parliament, and its measures would meet greater acceptance on the part of the public. I never understood this conflict between "we" and "they". It seems to me it would be better to use the word "us" when referring to this House.

We adhere a fair amount to the adversary system in public life. It is an important element, and essential. But it seems to me that it is important for members of parliament to have the opportunity to obtain some consensus from the various constituencies on public matters. This would involve not an adversary role for members, but a new role. We can only do this if there is frankness on the part of the government.

I want to compliment the government on one of its measures which has involved members of parliament and constituencies, and found a good deal of acceptance, after some pressure of course being exerted in the introductory phase of the program. I am referring, to the Local Initiatives Program. I am not now discussing individual projects. They have no part in this debate. The fact remains that there has been a major amount of consultation with constituency advisory groups and members of parliament, no matter whether they support the government or not. By and large, projects have been accepted in the constituencies. Some members have had to endure a certain amount of pressure and they could easily have said, "This is the government's program, and the government can take its lumps." But they did not say that. Because there has been a bit of sharing, a bit of openness—with some exceptions, I admit—the program was successful and remains an interesting illustration of what can be done when there is frankness in government.

Having said that, I turn to a side of government spending and government policy where there is no openness, where the reverse holds true. I am referring to the Department of Regional Economic Expansion. The department is involved this week in a seminar in Halifax. The national conference on development incentives was called by the Nova Scotia government, held in Halifax, but closed to the public and press in order to permit full and frank discussion. A fair amount of government money is involved, and many of those present are DREE officials or their counterparts in provincial development departments. There will also be representations by organizations such as the Independent Businessmen, the Manufacturers' Association, and some chambers of commerce. I, for one, deplore this method of transacting public business. The meeting has obviously been called in an effort to direct or re-direct regional economic expansion policies which need inputs from the various private and public sectors.

I think it is wrong for the government to be part of any system which bears the imprimatur "secret" or "not open to the public." I forecast that the inevitable reaction will set in after such a conference, and its purpose will be frustrated because of the very shroud of secrecy which has been cast over it.

I have made these points because I want to contrast the LIP program and its openness with the DREE program, which is the very antithesis of openness and, for that reason, is in serious trouble.

In these days many people have been considering the whole aspect of government in democracies. Some have even convened seminars on the general topic of the governability of democracies. I hope that hon. members who are interested will take the opportunity to read an important series of lectures by Ralf Dahrendorf, who is now head of the London School of Economics. Mr. Dahrendorf's first lecture in 1974, which is part of the series of Reith lectures, begins by saying, "The elementary desire to be free is the force behind all liberties." After discussing the dilemmas facing the democratic governments of the western world, Dahrendorf says:

> The force of liberty, of the principles of a humane and open society, may be equally strong, but it needs explanation: moreover, such explanation may lead to different conclusions at different times.

He goes on to discuss the political economy of liberty in a changing socio-economic climate, and then says:

The new liberty which we can hope and work for is a liberal response to a world which is in a process of radical transformation.

He then discusses some of the pressures on governments. I listed some of them, taking my list from another speech which he made. There is a problem facing democracy because of the desire for participation. Governments have asked for participation. We use phrases such as "participatory democracy". I have wondered why democracy needs such a qualifying adjective. Then, once the concept is in operation, governments are confronted with problems because it is difficult to take certain decisions, some of the conflicts participation arouses being incapable of satisfactory resolution, and the government can only act as a mediator or as a referee and thus leave some areas of participation frustrated.

● (2050)

Then *Dahrendorf* talks about the fact that political spaces are too small and insufficient to reach some of the problems. We have heard, from two or three of our colleagues who have taken part in this debate, suggestions as to ways and means of improving the mechanics of this institution.

Then he says international agencies are not designed to cope. We pay, I presume, more than lip service to many of these agencies, but the fact is that many of the agencies to which we belong, the World Health Organization, UNESCO and some others, are so politicized that what I might call neutral decisions, that is, decisions not based on politics, are impossible to make. The World Health Organization is just about to exclude Israel. UNESCO, in a very cynical mood last November, did the same thing to Israel. So there are serious problems with international agencies. Such agencies, for instance, have no way of coping with the harvest of the sea bed; there are no mechanics other than national ones to decide what is to be done in this field.

Then again, and we are daily witnesses to this, there is the extra-parliamentary power held by giant corporations and giant trade unions, neither of which seem very amenable, I regret to say, to the sovereignty of parliament. I am not indicting anyone; I am stating as a fact that the Port of Montreal is now closed despite a law of this parliament; I am reminding hon. members that despite the efforts of a responsible minister of the government the mails of Canada are in a chaotic state, I cite this as an example of the problems facing the democratic process and there seems to be no way of effectively controlling these extra-parliamentary forces—I was about to use the phrase "bring to heel" but I did not mean that in the sense of interfering with the rights of individuals. But I am rather old-fashioned, in the same way that the hon. member for Winnipeg North Centre (Mr. Knowles) claims to be an old-fashioned person. I have an old-fashioned view as to the sovereignty of this institution and I am deeply grieved when the public becomes cynical about it. I therefore welcome my hon. friend's resolution because it gives us a chance to say some of these things.

Part of the problem, too, is that many of us feel uncomfortable about telling the truth. I think of a couple of people who were not afraid to tell the truth. One was George Orwell, surely one of the great writers in the English language during the present century. He was not taken in by rhetoric even though he was a Democratic Socialist. When his party in the thirties turned its back on what was obviously happening in the Soviet Union, he told the truth. As a result, he was out of favour with the left. He told the truth, too, about what went on later in the authoritarian states—Mussolini's Italy, Hitler's Germany, and so on. This time he fell out of favour with those who in the late thirties cozied up to these dictators and were prepared to accept them.

[Mr. Fairweather.]

These are days when it is well to examine our institutions and procedures and to think about openness in government. One of the senior people in the department of urban affairs had the temerity to discuss with the Indian people a policy decision affecting them. One would have thought the Russians were coming. The man was dismissed, although I notice recently, since those days, there has been a new wave in the department and the very issue for which that director was dismissed a year ago has become the in thing to discuss with the Indian people. I am willing and anxious to give the government credit for its turn-around, but the main thing here is that there should be an opportunity for openness. Nobody here would suggest for a moment that plans to house the Indian people of Canada have anything to do with the national security of the state.

It is my view that the only areas where governments are entitled to keep things secret are where the security of the state is involved, or the privacy of an individual in his dealings with the Crown, or the confidentiality of the Crown's dealings in connection with expropriations and so on. It is this propensity to secrecy which means that in so many instances we parliamentarians read in the newspapers from time to time that policies have been leaked. They are leaked because frustrated public servants are unable—presumably under the Thoreau doctrine of civil disobedience—to accept certain decisions or impending decisions; they feel there should be more public discussion.

I have never been able to accept the government's preoccupation with secrecy. I would have thought the AHOP incident would have shown to the ministry and to the executive that a little more openness, a little more consultation, a little more frankness, would lead to much more acceptance by the public of the issues involved.

The need for openness has been dealt with on many occasions. By curious coincidence, the Library of Parliament this very day sent members a useful check list of articles in leading publications dealing with some of these issues. I took the trouble to get several of them copied. I do not intend at this stage, when other members wish to speak, to load the record with them, but there is a series of articles which are worthy of attention, one, for instance, in the fall edition of *The Public Interest* by Daniel Bell, the prognosticator of the industrial revolution. His article discusses in a very apt metaphor, I think, "The Public Household—on 'Fiscal Sociology' and the Liberal Society." Might I be allowed to quote a few paragraphs because I think the analogy might find some acceptance on the part of ministers. Daniel Bell says:

● (2100)

In the classical tradition of economics, there are two realms of economic activity. There is the domestic household, including farms, whose products are not valued (a housewife is not paid; the produce consumed on the farm is not always measured in GNP) because they are not exchanged in the market. And there is the market economy, where the value of goods and services is measured by the relative prices registered in the exchange of money.

Here is the important sentence:

But there is also now, more important than the other two—

And I presume the very reason for my colleague's resolution.

—a third sector which has come to the fore in the last 25 years, and which in the next 25 will play an even more crucial role, the public household. For reasons that I seek to make clear below, I prefer the term "public household," with its sociological connotations of family problems and common living, to the more neutral terms such as "public finance" or "public sector."

Bell goes on in an interesting article to elaborate the need, in this whole area of the public household, to exchange views and ideas, and to have some control over the purse strings. I do not want to stretch this analogy any further. I look to the treasury benches tonight, in thinking about public households, and wonder exactly how these learned gentlemen would fit into the public household. I suggest to them that if there were some exchange of information with those who are part of that household in regard to spending and budgets, then the administration of public funds would be much more open and amenable to the scrutiny that this resolution seeks to make possible.

I think that should be enough from me, Madam Speaker, and I should like to conclude by making three points about democracy and its governability. The first is that I hope most hon. members are as nervous as I am about my feeling that there should be retrenchment in the field of education. Though there will soon be a time when fiscal arrangements will have to be made between Canada and the provinces, there cannot surely be, at this stage in Canada's history, any retrenchment in the field of post-secondary education, or any attempt made to tie it to the job market. If this should occur, and if this policy were found acceptable, then as far as I am concerned it is the end of free inquiry by our universities. Certainly I hope that will not happen.

Secondly—

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. gentleman but the time allotted to him has expired.

Mr. Fairweather: Madam Speaker, may I finish two sentences?

The Acting Speaker (Mrs. Morin): It is agreed that the hon. member may complete his remarks?

Some hon. Members: Agreed.

Mr. Fairweather: I am very sorry, Madam Speaker; I do not like to take more than 20 minutes but obviously I have. I was making my second point, which is that there cannot be by government any restriction of free play on the part of the media. I am uncomfortable with the word "media" but it is a convenient word to use. I am made nervous by those people in society who feel there should be some restriction on some aspects of the media. I think probably in the next two years what we will need will be protection, not restriction, of the media.

Lastly, I want to make the point that most of us within the next few years are going to be increasingly aware that we are members, in one way or another, of large organizations. We each have a whole series of organizations to which we owe loyalty.

Once again I go back to the Montreal analogy. The group will be more important to many people than the larger loyalty, and I think this has serious policy implications for governments. I hope this group loyalty will always take second place to the loyalty that we owe to our country.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, what we are discussing today is a breakdown in the operations of the House of Commons. It is quite clear from hon. members who have spoken that there is a great deal of disquiet about the way in which the House of Commons is operating and the way in which it discharges its duties.

I agree with the hon. member for Peace River (Mr. Baldwin), who has moved the motion, that the power of the executive has increased and is increasing. The reason for this is twofold. First of all, the House of Commons has taken many decisions over the last few years. In the ten years that I have been in the House of Commons I have seen parliament give the executive great power to do things on behalf of the Canadian people. Much of the power that the executive has acquired it has acquired because the parliament of Canada has given it that power. Along with that power and authority to do certain things, parliament has also provided spending power.

The executive is also increasing its power in another and very important way. In order to cope with the problems of the 1970's the executive has gone through a number of reorganizations. It has focused on the problems it has had in trying to deliver services. It has analysed those problems and come up with solutions to them. Consequently the executive, I believe, has been able to keep in touch and deliver services more in keeping with the changes in Canadian society that have taken place.

However, contrast this with the way in which the House of Commons operates. The House of Commons operates in a way that would be appropriate if society were at the level it was in about 1900, a time when society was quiet and the demands put upon its politicians and its legislative apparatus were much less. It was a time when there were practically no demands for the involvement of members of parliament and ministers in many of the operations with which they are now concerned. By being able to cope with these problems of supplying today's services and being able to reorganize itself, the executive arrogated a great amount of power unto itself, putting a greater distance between it and the House of Commons.

I believe the reason for this is that the House of Commons has never been able to focus upon what its relationship toward society at large should be. Because it has not attempted to focus upon this issue, it has not been able to cope as effectively with the changes going on in society as has the executive. What frightens me about this is the lack

of respect in which parliament is held by many people outside the chamber. They feel that parliament, mainly the House of Commons, is not able to grapple properly with the problems of our society. They feel we are not only wasting our time but wasting their time. They feel we are not able to provide the kind of leadership that is required because the House of Commons is impotent.

In many respects what makes the House of Commons impotent is nothing more nor less than those of us who make up its membership. We have been unwilling and unprepared to give up the mythology about this place that so many of us have had bred into us when we enter this chamber. We have been unable to face the fact that the House of Commons no longer is equipped to do the kind of work that it did 100, 200, 300 years ago when the original forerunner of this motion was run for the first time in the British House of Commons.

We have a swiftly moving society in which changes take place rapidly. Yet we in the House of Commons are profligate with our time. We do not budget our time or attempt to distinguish between what is important and what is not important. We waste our time with trivia and do not focus upon the larger issues of our day. Consequently all one has to do if one wants to find proof of this statement is to observe the debates of the House of Commons on any bill that is before it. Even on many occasions of opposition day motions like this, to look for and find intelligent debate instead of a series of monologues is almost impossible. If one looks at the record of the proceedings before committees, unless there is some very constant whipping of the committee to focus on what it should be dealing with, members go off in all directions, and we do not pay attention to the subject before us. It seems to me that is one of the grave weaknesses of the House of Commons, and there are reasons for that.

● (2110)

When I go home to my constituency I am expected to know not only what is going on in every department of the federal government, but also what is going on in the provincial government and each of the municipalities. That is tremendous pressure that members of parliament have to bear. In the kind of work we do for the constituency we must deal not only with federal departments and agencies but also with other levels of government as well. Therefore it becomes very difficult for us to concentrate on one of two subjects.

Behind the reforms of 1965 and 1968 was an attempt to set up cadres of experts in committees made up of members of parliament who would stay with those committees and learn what the departments were doing and what they were about, and then be able to criticize effectively. We have few experts in the House of Commons. We have few people who have followed the operation of a committee or a department over a long period of time. So what happens is that, when a minister comes before a committee with civil servants and other outside witnesses brought in by the committee, members of parliament do not have the background necessary to ask the right questions, the tough questions to get the answers out.

In many cases the ministers and the civil servants sit there ready to provide a great deal of information, but the questions never come. Most of them are disappointed at the kind of grilling they get before a committee. This seems to be a failure not of the House of Commons but of the members who make it up, and of the lack to any attempt to focus on what really is important.

If we take a look at the way in which the House of Commons operates and read the debates in respect of any bill that you care to choose, we will find that the frightening thing is that most members do not focus on what the bill does. What they focus on is the speech that they happen to be making, and if they can attach to it a particular bill before the House, so much the better. The most fantastic reform that could be made in the House of Commons would be to force members to speak on the topic before them. That would completely destroy 95 per cent of the speeches made in the House of Commons.

One must be realistic, and one has to look at the people who make up the House of Commons and realize that we are not experts but generalists. We are not going to be able to do a job on the estimates, we are not going to be able to quarrel with the government about expenditures, because members are not interested in finding out how the government is administered. What the members of parliament are interested in is the policy of departments, what a department is doing, and in having a department expand its services, preferably in their own ridings. What they are not interested in doing is saying that we must cut back on this service which is going to affect their constituents, or we must cut back on another service because we cannot afford it.

What happens when we go into the committee is that members argue with the ministers to increase the amounts of money they are spending on programs, particularly in their ridings. I do not blame the members. I do this myself when I appear at the committees, and I make my representations to the ministers the way everybody else does.

It should be clear when we are trying to reform the House of Commons, and we should be precise in acknowledging this, that we are not interested in cutting back expenditures or in decreasing services to our constituents, but that what we are interested in is the policy of departments and the expansion of these services. That happens to be the way the House of Commons operates.

There are very few wealthy men in the House of Commons, if there are any, which means that most of us are looking for the expansion of government services rather than contractions. We are part of the average Canadian group, and that is what we are doing. When we look at reform of parliament let us take that into consideration and put together a structure that is going to make some sense.

As I said before, we are profligate with our time. It is quite true that we are taking longer to pass laws than we ever did before. We are sitting longer and producing less. The fact of the matter is, as pointed out by the President of the Treasury Board (Mr. Chrétien), that we are spending more time on the estimates than parliament ever did before, yet we are accomplishing less and feel less satisfaction with the work we are doing. We are spending more time on legislation yet we feel we understand it less.

A book was published this year called "The Canadian Legislative System", written by Robert Jackson and Michael Atkinson. In that book they deal with the amount of time and effort that goes into the passage of legislation. Let me quote from the book at page 157 as follows:

Allan Kornberg's research demonstrates clearly that Parliament has been working longer to achieve less in the twentieth than in the nineteenth century. Table 3 shows that the lengths of Parliaments and the number of sitting days have both increased while the percentage of bills introduced and passed has declined. The average number of bills passed per day between the first and eighth Parliaments was 1.39, but between the 19th and 27th Parliaments the performance ratio fell to .54.

That is a disgraceful record. They used a second example on page 162, Table 4, in which they gave the years of the session, the average number of sitting days, the average number of public bills enacted, the average number of days to pass a bill, the number of pages of enacted legislation and the average number of pages passed per sitting day. Let me take the latter statistics and run down the table for you.

The base period used was 1945-1947 when there was 4.3 pages of legislation passed per sitting day; in 1953-1957 it was 3.7; in 1964-1968 it was 3.5 and in 1968-1972 it went to 3.7. That is quite a decline from 4.3 in the 1945-47 period. Of course the number of pages does not give any idea of the quality of the legislation, but I think it is symptomatic to note that in this particular session it has taken us an average of three and one half sitting days to pass each bill that has gone through the House of Commons. Indeed, if one looks at the size and the complexity of the legislation, we would have to admit this is probably a disgraceful amount of time to spend in the House of Commons on average pieces of legislation.

What we should be focusing on in the House of Commons are those pieces of legislation which are clearly important, and we should be spending more time in committee on those pieces of legislation that are obviously more of regional and less of national interest.

One of the things we have to do is learn to examine our operations from the point of view of time. For example, we should have committees travelling more, but we cannot operate the committees and the House of Commons with the existing committee system if we have them travelling. The fact of the matter is that the machinery we have set up in the House of Commons requires a great number of members of parliament to be present, and when we send out a committee, and right now we have the committee on immigration travelling, we immediately see the very large holes in the ranks of all parties.

We should be re-examining the way in which we do our business so as to provide time for all committees to travel, so that the committee work can be done and members can get out to their constituencies. Right now those of us who have to go some distance to our constituencies find it is becoming impossible to keep in touch with our constituents as much as we would like to do that.

I do not believe this can be called one of the vintage sessions of parliament. I think the House of Commons has been relatively dull. It has not produced much in the way of debate. It is important to realize that the House of Commons is perhaps more of an opposition forum than it is a forum for backbenchers on the government side. Nonetheless, both sides have an obligation. But this House of Commons has not been good. I believe there are a number of reasons for that, and the first is that we have gone through two elections, four years of politics, and most of us are trying to recover from the experience. There are leadership problems and changes taking place in three of the four parties.

● (2120)

The economic problems we have to face are so overwhelming that few countries have been able to find a way out. Members are frustrated because there do not appear to be any easy nostrums available to solve the problems. The last reason is that there is a feeling that the House of Commons is not operating as an effective unit in itself.

I believe that the House of Commons has an important role to play as a deliberative and legislative body. As a deliberative body it should be discussing more often the issues of our times. We do not really do that at the present time very well because, with the nature of our parliamentary system, we tend to be dealing with legislation which is one or two years old. We just do not process the material in the proper way. It lies around and waits and waits, until finally it goes through after one or two sessions. We have bills that have been hanging around for two or three sessions which are still not passed.

The debates that take place in the House of Commons tend to be a farce. Why? Because as soon as a bill is introduced, the minister speaks, perhaps the parliamentary secretary speaks on this side, members on the opposite side speak, and we may have a debate which takes place for one or maybe two days. After that, the debate becomes a monologue because we on this side are told to sit down, not say anything, and try to get the bill through. That means that for the last four or five days of the debate on that particular issue very little is heard from the government side because, if we stand up and say something, members opposite tend to take that as a starting point to continue and go on and lengthen the debate. We must change that because if the House of Commons is to be meaningful there must be debate and not monologues. That means there will have to be an acceptance on the other side that debate ought to take place and that we ought not to have a series of monologues.

Members opposite complain bitterly that they are not reported on what they say in the House of Commons. Of course they do not get reported, because to get reported in the House of Commons there has to be clash. We do not have clash because members opposite do not want to accept any kind of programming or any kind of limitation that would in fact lead to the kind of clash, healthy debate and exchange of ideas that would be healthy and useful for this organization.

Before my time is up, Madam Speaker, I want to run through a series of other suggestions I have concerning possible changes. First of all I think we must focus on working on some kind of allocation of time procedure, not a guillotine but a method by which members opposite are brought into the final discussions when time is allocated on legislation. I believe this is essential if the House of Commons is to become a forum for debate and exchange of ideas, instead of witnessing the kind of sorry situation that debate now passes for in the House of Commons.

Second, we must re-examine the committee process radically. We must reduce the number of committees and the number of people serving on those committees. Right now, to make the committee system work we should have approximately 150 members. We actually have about 65 members from both sides of the House who make the committee system operate. We might as well accept that. We must accept the fact that members of parliament come down here on their own volition. They write their own job description. For some of them committees are a joy; for some they are a drag. Let us face up to this fact. Let us reduce the number of committees and the number of people on them.

We must examine the way chairmen of committees are elected. I would like to see more chairmen elected from the other side. I think this is a desirable reform so that members from all sides of the House can take their full responsibilities in holding offices in the House of Commons. I believe we should also re-examine the way in which we deal with estimates in the standing committees. We must provide more opportunity for the members to focus in on these.

I believe one of the major obstacles to the committees doing a good job on estimates is the fact that there are too many members on the committees. Because of the unreasonably high quorum requirements, there are members who are interested in some committees who cannot get in the amount of time they need in order to do an appropriate job. That means we must cut down on the size and on the numbers, and give them more time.

What the government should be thinking of doing is spreading out the time during which members can carry out an examination of the departmental picture over the full year, and not just have it concentrated in the period between March and the end of May. It would be more desirable if this were spread out over the whole of the year. What we could do is set up four of five departments in the first term, four or five in the second term and four or five in the third term. In this way we would not have the tremendous crunch of committees that now takes place when we consider all our estimates at the same time as the legislative program starts to move through the House of Commons. So, from the period beginning the end of February until the end of May the committees are totally overburdened.

The amount of sitting time committees can get in any given two-week period is about five slots of about an hour and one-half each. This simply is not enough time. We could organize our system better if we gave up the idea that in fact members of parliament are interested in the actual spending, the real dollar figures. What we have to do is see that members are interested in the departmental picture, and design a system where they can have the annual reports, the estimate figures, and whatever other information they require at their fingertips. In this way there would be more time to do the job. This means that many of the functions members now have in respect of the estimates and the way in which committees operate will have to be changed. I think that if we change them and acknowledge what really goes on, we can make reforms that would be worth while.

Another matter I think we should look at with great seriousness is the concept of members of parliament and the roles they play in their constituencies as an important part of the procedure of feed-back for government. Members of parliament complain bitterly that when they speak in the House no one listens to them, and that when they ask questions in a committee no one pays attention. My experience on this side is that indeed members of parliament are listened to in the committees and in the House of Commons by the bureaucrats, the ministers, and the people who assist the cabinet in making decisions.

The problem is that in many cases the members are not sufficiently well prepared in order to make the cases they want to make. However, they are the most valuable feedback system in many cases the ministers and the bureaucrats have in respect of the way in which their programs are actually operating in the constituencies. It seems to me that there really should be some forum, or some way in which members can organize and provide information to ministers and departments in a better manner than is now done through the medium of the estimates.

In many cases I believe there is a failure on the part of the members to actually go out, co-operate, and do the sort of thing the hon. member for Fundy-Royal (Mr. Fairweather) mentioned. I feel there are opportunities for us to make substantial changes in the way this House operates, and the sooner we do it the better for all of us.

Mr. Tom Cossitt (Leeds): Mr. Speaker, when I first came to the House I suppose like all newcomers I had certain preconceptions of what was going on here. Perhaps the strongest of these was the belief that the executive arm of government was growing at an alarming rate to the point where we were moving in the direction of a presidential system and rapidly away from our traditional parliamentary system of government. After three years I have seen nothing to weaken this conception, and I have seen countless things to strengthen it.

It seems to me a delusion to believe that parliament is the completely effective governing body in Canada. While parliament should be supreme, its authority has been whittled down and carved up by a government that has little respect for the parliamentary process. The tone was set some years ago when the Prime Minister (Mr. Trudeau) made his infamous remark that opposition members of parliament were nothing more than a bunch of nobodies. This belief has been carried right on through the entire apparatus of government to a point where parliament has been treated with disdain.

Executive power has been increased with fantastic speed. The expenditure of public money has risen with little restraint to levels undoubtedly believed impossible just a few short years ago. I doubt if even the cabinet has much control over this situation. We are being governed primarily from decisions in the Prime Minister's office, and parliament is being tolerated as an unfortunate constitutional nuisance.

A few days ago the Prime Minister came before the House to be questioned on the estimates of the Privy Council and the Prime Minister's offices. Supposedly he had come here to allow parliament to examine and question the gigantic increases in executive power in Canada,

and it was to be a day when questions could be asked and presumably answers obtained. It certainly did not turn out to be the kind of day it was supposed to be. Instead, the House was treated to a rambling, filibustering, arrogant monologue, and in effect we were told that it was not our business to ask searching questions.

● (2130)

In effect we were told that the executive branch of the government was supreme and it could do what it liked to do without accountability to parliament, and therefore without accountability through parliament to the Canadian people themselves. The Prime Minister was not only demonstrating arrogance and his dislike of the rights of the democratic opposition but, what is far more important, he was demonstrating his obvious attitude that the government has some sort of God given right to do anything it wishes to do without being properly and adequately questioned about it. His performance was an indignant and almost sneering response on behalf of the government to those who dared to exercise their right on behalf of the people of Canada to examine the galloping rise in government expenditures since the Prime Minister came to office.

One need only look at what has happened to government expenditures since 1968. Then federal government expenditures were about $12.25 billion. This year they are over double this figure, $28 billion, or a little more. In the last year alone, the government has increased its expenditures by over $6 billion taken from the taxpayers' pockets. Years ago the late C. D. Howe made that now famous remark, which came back to haunt him years later, "What's a million?". Today, the government has brought that remark right up to date by saying in effect, "What is another six or seven billion dollars?"

If one works out the total government expenses right down into hours, the government is spending over $3.25 million an hour to carry out its operations. One can only imagine with horror the inevitable disaster to which such policies are taking the economy of the country, and what the inevitable result will be for a democratic parliament if we stand by and allow the power of the executive branch of the government to continue to run wild.

I realize that in using figures to illustrate the situation in Canada today one runs the severe risk of drawing from the Prime Minister a ridiculous statement, such as the one made in the House on Thursday, May 22, and I quote from page 6011 in *Hansard*. He said: "What I am pointing out is that the hon. member for Leeds is making fraudulent use of statistics". I can only presume that the Prime Minister was referring to figures which I have used in regard to the galloping increases in expenses in connection with the operation of his office, his official residence, his summer home, and the expenses of the Privy Council office. I suggest that if any of these figures are fraudulent, the guilt should be laid directly where it belongs, namely, at the feet of the Prime Minister of Canada, because any figures that I have quoted with regard to such expenses have been taken directly from answers given by the Prime Minister himself to questions asked in the House by me and other members of this party. If the figures are fraudulent, the Prime Minister himself must accept the blame.

In 1970 the cost of operating the Prime Minister's office was just over $1 million, and today, five years later, in 1975, the cost will be over $2 million. If such figures are fraudulent, they are taken directly from government records. The cost of operating the Privy Council office in 1970 was $5,800,000, and this year, just five years later, the figure has gone up to over $17 million. If such figures are fraudulent then the fraud has been committed by the Prime Minister and the government.

In his remarks on May 22 the Prime Minister made light of his own expenses by referring to his ashtrays and his chandeliers. He tried to make a joke of it all in the hope, I presume, that it would be simply swept aside or buried. The fact is that his chandeliers and ashtrays provide a very clear indication of the over-all champagne taste of the present government when it comes to spending public money. It starts at the top with the Prime Minister's emperor complex, it goes along to the royal style of living of the Prime Minister, and moves on without any restraint whatsoever through every department of government. Never was the champagne taste of the government more apparent than when one has examined the cost of the Prime Minister's residence itself, figures that show that the operating costs have increased 173 per cent since the present occupant of 24 Sussex Drive moved in.

If ever there was an example of increasing power of the executive branch, it was the refusal on the part of the Prime Minister to allow Michael Pitfield to appear before the Miscellaneous Estimates Committee. In short, the committee and this House were told that certain people in the entourage of government are beyond questioning by the elected representatives of the people. It is almost as if Sussex Drive has become the emperor's palace where statements will be made when the emperor wishes to make them, and in the meantime those of us in parliament should behave by not asking questions.

The arguments advanced by the Prime Minister that Mr. Pitfield was in a position where, as secretary to the cabinet, he would undoubtedly know cabinet secrets and therefore could not testify because of this, are nothing more than sheer nonsense. If a question in this area had been asked, Mr. Pitfield could have declared that he could not answer it because of his attendance at cabinet meetings. There are other questions Mr. Pitfield could have been asked and could have answered. But he has been hidden away from examination. The Privy Council office grows in size to almost 400 people, with another 100 in the Prime Minister's office, and yet this group has been placed on some sort of pedestal beyond proper and adequate parliamentary control.

It might be appropriate to refer to words written by the Prime Minister himself in April of 1963 when he wrote of the Liberal party: "There is not remaining in this party one single man for whom principles mean more than power". It seems to me that the Prime Minister has been reading his own words to a point where he has now put them into practice himself, where it has become power for the sake of power on the part of the executive branch of the government, rather than power for the sake of solving the problems of the people of Canada.

Let me quote again words written by the Prime Minister appearing in Cité Libre with reference to his predecessor. He wrote:

Mr. Pearson must betray the program of his party as well as the principles. He had nothing to lose but his honour. He lost it. His whole party lost it too.

I would suggest that if any honour has been lost by those in the Liberal party, it is being lost by those who sit opposite and go along with the policies of the government which will inevitably destroy this country economically and which are downgrading rapidly the power of parliament.

The Prime Minister also wrote these words: "Pearson, Pickersgill, Lacoste, Gordon—all lousy idiots". I suggest that if there are any idiots at all in the House of Commons today, then they are those who are prepared to sit idly by as the government proceeds along its present disastrous path.

In the three years I have been a member, one of the things that has bothered me the most is the inability of the House to examine properly the estimates of various government departments. I recall, on occasions prior to coming here as a member, sitting in the gallery as a spectator and watching members examining the estimates of various departments. I recall that it seemed at that time that members had some say, some control, over what was going on. But along came this government in 1968 and changes were made that resulted in the operations of parliament being drastically curtailed to a point where members of the House do not have any effective control over the estimates of the government.

I think that the taxpayers of the country would be absolutely appalled if they could witness the shocking spectacle of hurried and inadequate examination of the estimates by the committees of the House in order that the estimates can be pushed through the House by a certain set date, regardless of whether or not members are satisfied with what they contain or with whether they have obtained answers to legitimate questions.

I firmly believe it would be better, and would serve the democratic process better if parliament were to revert to the system of the past where there were no fixed deadlines in existence for the passage of estimates through the House.

Something that should be of the greatest concern to members of the House has been the revelation that certain funds are often buried or hidden in the estimates so that they can not be properly discovered. We have seen examples uncovered recently of hidden votes for so called "security measures", and one wonders how parliament can properly examine expenditures of this country when things are hidden from its view.

I was surprised to learn, when raising certain questions before the Miscellaneous Estimates Committee on the expenses of the Prime Minister's office, that expenses for the use made of government aircraft by the Prime Minister are not included in any way in the expenses and operations of his office.

[Mr. Cossitt.]

● (2140)

Since 1968 we have witnessed the Prime Minister travelling to all parts of the world, and when it is on government business I am sure Canadians have no argument with this whatsoever. Nevertheless, the expenses for such things should properly be charged to the operation of the Prime Minister's office, and perhaps the reason that this is not done is because it would also necessitate charging to the same budget the expenses involved in the Prime Minister's use of government aircraft for extensive pleasure and political trips. Surely it is time that the Canadian people knew of the thousands and thousands of dollars which have been spent in this regard by our Prime Minister and which have been buried in the costs of the Department of National Defence, or in the costs of the Department of Transport.

It is strange that if a minister of the Crown other than the Prime Minister uses a government aircraft, the cost of such operation is charged back to that minister's department and reflects in his expenditures, but that this procedure is not followed in regard to the Prime Minister himself. One can only conclude that placing the staggering travelling costs for pleasure and politics on the part of the Prime Minister under the costs of his office would be something more than parliament and the people of Canada would be prepared to swallow.

No one should really be surprised by the government hiding things because secrecy has been one of its main principles. It has been used to withhold from parliament what seems to me in many cases to be legitimate information. Many hon. members at one time or another have been refused answers to questions on the ground that the information fell into such categories "not in the national interest" or "not the established policy of the minister to reveal". Such phrases have been used in most cases for the sole purpose of preventing parliamentary examination of facts.

I suggest that the only reason for any information of any kind ever being withheld from this House should be that the answer, "made public, would be harmful to the national security" otherwise all information should be readily available to parliament. At the same time, of course, one can understand the hesitancy of the government in adopting such a policy because it would obviously make even clearer the encroachments made by the executive branch on the powers of parliament.

One would expect that the Auditor General would be able to dig out all the things which are wrong in the gigantic operation of government, to recommend that something be done about such things, and to expect that something would be done. This has obviously not been the case, and the fact is clearly illustrated by these words written by the former Auditor General, Maxwell Henderson:

Looking back across the years, I can see that the office of the Auditor General of Canada has been increasingly beleaguered. The attempts to hamper his staff and hamstring his investigations have come ever more dangerously close to fruition and today, for all my work, the office is in graver danger than ever before. I can see that unless this post is strengthened—strengthened substantially and soon—two results are bound to follow: first, the staggering toll of waste, fraud, duplicity and ordinary stupidity that costs the Canadian taxpayer millions of dollars every year will continue to climb. Secondly, the ultimate control that

parliament wields over the purse strings of the nation will continue to diminish.

Those words not only told what was happening at the time they were spoken but provided a prophetic look into the future. Already that future has become all too visible as the control parliament wields over the purse strings of Canada goes ever downwards. If ever there was a time when parliament should take the bull by the horns and pass legislation to strengthen the office of the Auditor General, that time is now.

The problem seems to be that the government regards the Auditor General as it regards parliament itself, nothing more than a nuisance. When Maxwell Henderson wrote the following words about the then president of the treasury board, who is now the Minister of Public Works (Mr. Drury), he might just as well have been writing about the entire cabinet. This is what he said:

> Drury, by his own admission to me, never understood the function of the Auditor General; he could never comprehend why we reported all those non-productive expenditures in our reports and I had to explain to him that it was done by order of parliament.

The fact that the functions of the Auditor General had to be explained to a minister is bad enough, but it is even worse that the government should object to parliament being made aware of so-called non-productive expenditures. I recall one non-productive expenditure in my own constituency of Leeds where the government had moved in a water testing laboratory to the city of Brockville just prior to an election campaign. It moved it in with much suitable fanfare for local consumption, and supposedly Brockville had received a permanent establishment from the Department of Health and Welfare. Then when the election was over, the government moved the establishment out to another centre, but it remained stuck with the lease and continued to pay hundreds and hundreds of dollars rent for vacant space in a shopping centre until the lease expired some years later.

I would like to return just for a moment to the growth in the Privy Council office and in the Prime Minister's office, which provides an excellent example of the increasing power of the executive branch of government. What on earth do all these people do? On May 22 the Prime Minister tried to pass it off by saying that about half his staff existed to answer his mail, but a look beneath the surface clearly shows some of the things which have happened since 1968, and probably the most obvious indication of the increase in power of the executive branch appeared in the establishment shortly after the Prime Minister took office of regional desks in his office. No longer were the elected representatives to be the ones who reflected the opinions and views of the Canadian people. Instead, an addition was made to the bureaucracy, and further additions have been going on ever since.

Even these additions are not sufficient to satisfy the obvious lust for power on the part of the Prime Minister and some of his associates. They have found it necessary to engage all sorts of outside consultants, brought in for large fees, to perform services which could undoubtedly be performed by those already in senior positions in the public service. Among the vast personnel in the Prime Minister's office is a horde of administrative assistants, executive assistants, special assistants, and so on. I would like to refer briefly to one of these individuals, the principal secretary to the Prime Minister, Mr. Jack Austin. In particular I would like to refer to a recent Southam News story which stated in effect that he was using the facilities of the Prime Minister's office as an information gathering centre to fight a $70,000 personal tax case against the government.

This is a pretty serious allegation, and it is certainly serious enough that it should have been dealt with immediately by the Prime Minister. If the news story is not according to fact, this should have been stated publicly at once. However, a strange silence on the subject is the only thing coming from the government, and it seems to be yet another example indicating that the Prime Minister's office and the Privy Council office are some kind of inner sanctums beyond parliament, beyond criticism by the press, and beyond any accountability whatsoever to anyone.

I realize that I have only several minutes left, so I would like to conclude by saying that there are many unanswered questions. I think the *Globe and Mail* in an editorial a few days ago put it well when it said, in regard to the appearance of the Prime Minister before this House recently, the following:

> But what Mr. Trudeau forgets is that there are a great many Canadians who feel entitled to answers to the questions he dodged: why has the cost of running the Prime Minister's office and the Privy Council office increased 40 times over . . .

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but the time allotted to him has now expired.

[*Translation*]

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I am glad that the motion submitted today by the members of the official opposition refers to a bill with a view to increasing and reinforcing the office of the Auditor General of Canada.

I am all the more satisfied, considering that the hon. member for South Shore (Mr. Crouse) is here and that, as member of the opposition, he is presiding over the work of such a committee. Being myself vice-chairman of the Public Accounts Committee and having had occasion since the beginning of Parliament to participate actively in the committee's tasks, one will readily understand, Mr. Speaker, that the motion submitted by the opposition today is not a matter of indifference to me. Indeed, since the publication of the Wilson report on March 27, 1975, I feel that there is not a single member in this House that is indifferent to the office and future of the Auditor General. But before mentioning anything directly about this report, Mr. Speaker, I should like to point out the impartiality, neutrality and honesty with which the hon. member for South Shore is presiding over the destiny of the work of the Public Accounts Committee.

Indeed, Mr. Speaker, ever since I have been attending the discussions of this committee, all members of Parliament who are on the committee, including members of the opposition, have noticed by themselves to what extent the hon. member has mastered the work of the committee and to what extent he is concerned about ensuring its effectiveness.

Indeed, Mr. Speaker, I should like to re-establish in the minds of Canadians the credibility of the Public Accounts Committee. It happens too often that one relies on the sayings of an Auditor General whose mandate has ended, and not enough attention is given to the work of the present Auditor General and that of the committee. It is a known fact, Mr. Speaker, that since the beginning of this Parliament, the Public Accounts Committee has already submitted a first report and is now drafting a second one. This second report, Mr. Speaker, is being drafted following submission of the second report of the Auditor General on March 31, 1974. Since the beginning of April, the committee for public accounts studied ten paragraphs of the report of the Auditor General for the financial year ending in 1974; I think it should be able to table its report within the next two weeks.

That is to say, then, Mr. Speaker, that since the start of the 30th Parliament, that committee has already brought the House two reports. If there was no agreement between the members of the committee to accelerate the work, to avoid partisan attacks, to attempt to diversify the work of the committee by bringing discussions to the table bearing on various subjects, I doubt that we could be as proud as we are today of the work of the committee.

Still, Mr. Speaker, I must point out that the attendance of the committee members during this Parliament is not what it should have been. For instance, I must mention to the hon. member for Roberval (Mr. Gauthier) that his party has failed completely to show up for the work of the committee since the opening of this Parliament.

I should also point out to the member for Winnipeg North Centre (Mr. Knowles) that his party is very seldom represented. It is too bad, because each time we had to rely on a colleague of the hon. member for Winnipeg North Centre, he always raised pertinent questions which could be included as recommendations in our report. I would therefore hope, Mr. Speaker, that this party will be more assiduous from now on.

I would also make the same comment, Mr. Speaker, about the two main parties in the House. The proceedings of this committee often cannot be immediately concretized in recommendations because we do not have quorum. Thus, for example, when we agreed with the Auditor General that a special meeting would be held on October 12, we had to wait to get a quorum while the whips went to fetch some of their colleagues who were sitting on different committees.

I deplore the fact, especially since the members opposite have loudly brought forward the issue of the credibility of the proceedings in the Public Accounts Committee. If they are so anxious to criticize the government administration, they should be the first ones to sit in majority on this committee. Well, I say so, Mr. Speaker, and without any partisan thought, that has never been the case since the beginning of this 30th Parliament. And I deplore it all the more so that the business of this committee is conducted, I think, as I said earlier, in a nonpartisan manner.

● (2150)

I would like to point out, Mr. Speaker—and this has been mentioned directly in the Wilson Commission Report—that the Auditor General's Office has experienced considerable changes since Mr. James Macdonell has been appointed. I want to point out also the excellent work accomplished by Mr. Macdonell in the public accounts committee.

You know, Mr. Speaker, in the Middle Ages there was a saying that when a new monarch was crowned in replacement of one who had died or had resigned, the palace had to be redecorated. Sometimes, that was done to the accompaniment of drums and trumpets, but some other times, it was done in a silent manner, but not less efficiently. I believe that is the course Mr. Macdonell has chosen to follow when he took up his duties.

For instance, when his predecessor, Mr. Henderson took office, 10 per cent of the staff in the Office of the Auditor General were professionals. When he left, half were professionals a quarter of which were chartered accountants, members of Canadian acknowledged institutions. On the other hand, the report of the Wilson Commission stated that out of 395 authorized positions in the office of the Auditor General, only 290 had been filled.

Of course, Mr. Macdonell could have assumed his post, made profound statements, awakened interest in mass media, solicited interviews with newspapers, radio and television stations and attempted to make a fuss about the lack of personnel in the Office of the Auditor General. Such was not the case, Mr. Speaker, he was rather efficient. I am surprised that members of the opposition failed to point this out.

Judging from what the previous speakers said, most of them did not read the Auditor General's report for the year ending March 31, 1975. The hon. member for Leeds in particular most certainly did not read paragraphs 70 and 71. Mr. Speaker, these paragraphs do not deal directly with shortcomings or breakdown in government administration. It is much more general. It is a study on financial administration and control.

This paragraph would authorize the Auditor General to carry out a thorough investigation into the financial administration and control of each and every department and Crown corporation. With his personnel of 290 people, the Auditor General would certainly have been unable to complete this study to which he refers in his report for March 31, 1975, without the assistance of additional personnel. What did he do? Did he call a press conference? Did he complain on TV or on the radio about his lack of personnel? No, Mr. Speaker, he was a lot more resourceful. What did he do? He met the Chairman of the Public Service Commission, as stated in his report on page 75, and asked to take part in the public service executive transfer program.

What is this program all about? It is quite simple. It is a program which permits a department or a Crown agency to call directly upon the private sector and request for the government the personnel who could be associated to an assignment or particular duties. The Chairman of the Public Service Commission agreed to the Auditor General's request, so that 19 accounting firms throughout Canada were called upon to provide the Auditor General with the additional personnel.

Mr. Speaker, although I realize time passes quickly, I seek the unanimous consent of the House to go on with my remarks.

[*English*]

The Acting Speaker (Mr. McCleave): Order, please. It being ten o'clock, it is my duty to inform the House, pursuant to Section 11 of Standing Order 58, that proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SOCIAL SECURITY—BLIND AND DISABLED ALLOWANCES—DISCUSSIONS WITH PROVINCES TO ALLEVIATE PROBLEMS OF RECIPIENTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I find that I continue to make apologies to the Minister of National Health and Welfare (Mr. Lalonde) or his representative who is here tonight, for having to appear at the late show on a subject which he continually refers to as a provincial responsibility. I also find that changing conditions, primarily caused by inflation, demand leadership from the minister to deal with what I can only describe as a crisis in Canada. I refer to the crisis which exists in relation to the amount of assistance available to those citizens who suffer from disablement, particularly blindness.

On February 20 I asked the minister if in view of the fact that the introduction of a guaranteed annual income had to be postponed because of differences of opinion by the provincial welfare ministers, whether any discussion had taken place as to the plight of those citizens, the blind and disabled persons of Canada.

● (2200)

The minister correctly replied that most provinces had opted over the years to take over blind and disabled allowances, which are included in the various social assistance programs under the Canada Assistance Plan. But I have to say that at present, under existing conditions, this is not good enough, because conditions today dictate that these disabled citizens cannot under any circumstance cope with the cost of the bare necessities of life required to live even below acceptable standards. And I cannot accept the answer from the federal government that the problem is provincial in nature which, to my mind, is only passing the buck—as I do when I question the provincial authorities concerned.

The Blind Persons Act and the Disabled Persons Act are reported on each year by the federal department of National Health and Welfare since back in 1952. In 1963 the legislation was amended to set a maximum allowance of $75 per month; and later in 1966 was again amended to permit provinces under the Canada Assistance Plan to transfer the allowances under the provincial programs.

I asked the minister and the parliamentary secretary about this. Why this was agreed to by parliament I'll never know, when I try to reconcile it with the fact that the federal government at the same time retained jurisdiction over the Old Age Security Act. By so doing, at the present time the disabled and the blind are at the mercy of 10 or 11 different programs of the provinces which, to my mind, is a ridiculous situation and leaves much to be desired.

But the tragedy of the situation is this; Madam Speaker, and that is that the disabled and blind citizens of this country are at the mercy of the procrastination of both levels of government which, for some reason or other, cannot or will not realize the special needs of those citizens of Canada who, through no fault of their own, were born with or became victims of disablement. And they will continue to suffer and will deteriorate in their bodies and minds as a result of a lack of compassion on the part of those who are responsible.

And I ask the parliamentary secretary replying tonight, when will there be some realization of the need for attendant care that is necessary for the disabled citizens of our nation? Or when will there be some realization of the special nutritional needs of the disabled and the blind, not only the adults but children suffering from the various afflictions that Canada supposedly recognizes? Again I ask, when will there be some recognition of the needs of our own Canadian adult citizens who suffer through no fault of their own?

I know and recognize that the minister responsible on a federal basis is aware of the difficulties that have come to the fore as a result of the action taken by past governments ignoring the needs of Canadians who suffer through no fault of their own and, due to the stupidity and ignorance of past governments, recognizing that disabled citizens must be given some consideration as a result of the transfer of responsibility; but until he can come up with an agreement on a guaranteed annual income he must show some compassion to provide assistance to those who have little or no influence to present a case for themselves in their predicament.

I can only say, Madam Speaker, that the situation which exists has got to be criminal; that these citizens are allowed to exist under the financial assistance presently available in this supposedly affluent nation of ours. And yet the solutions are simple, Madam Speaker, if there is any compassion in the hearts and minds of those who govern, and that is to reverse the various orders in council that proclaimed the criteria for the chronically sick under the Disabled Persons Act of 1970 and the Blind Persons Act. This can be done by repealing that procedure to give the provinces the option I have expressed, and by introducing on a national basis an amount of assistance to allow those who are disabled or blind the basic benefits which Canada proclaims is in her interest to provide for Canadians.

The disabled of our country should be granted immediately an amount of assistance even related to the poverty line figures as established by Statistics Canada, or according to their established needs as related by the Senate Committee on Poverty, which the government chooses to

ignore. Else let it ever remain on the conscience of every member of parliament that we have ignored those Canadians who have no voice in presenting their case to those who are elected to govern. I hope the parliamentary secretary will be able to provide an answer to this predicament which exists among those who are blind and disabled.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as the hon. member so rightly indicated in his question of February 20, and again tonight, the provinces can provide more substantial benefits to the blind and disabled persons within their boundaries by opting to apply the more generous provisions of the Canada Assistance Plan instead of the Blind Persons Act and the Disabled Persons Act which sets a maximum benefit at $75 per month.

It was because of the limitations of the categorical programs which classified need into the categories of blind, disabled, unemployed, and so on, that it was decided that the federal government would cease to participate in these programs. Most provinces have decided to cease to accept applications under these programs and have transferred recipients to their more comprehensive assistance programs. Unfortunately, the province from which the hon. member comes has preferred to remain within the programs which limit allowances to $75 per month, rather than apply for blind and disabled provisions under the Canada Assistance Plan.

I must also correct the impression the hon. member would leave with the House when he implies that "the guaranteed income is a long way down the road." I would point out to hon. members that, at the most recent conference of ministers of welfare, it was reaffirmed that the social security system should incorporate income support for people who are unable to work or for whom employment cannot be found—those very people of whom the hon. member speaks, the blind and the disabled, as well as the aged. As the minister said in this House on May 7, 1975, "A guaranteed income program for those unable to work should be implemented as soon as possible, even as soon as 1976." I would refer the hon. member to the communiqué which was issued at the end of the conference and made available to all members of the House for more details in this respect.

I would also like to point out to the House that a major element of the new approach to social services and one which received unanimous approval from all the provinces was that people in receipt of support should be provided with the rehabilitation and employment services required to make it possible for them to take employment found or created for them. It was agreed that cost sharing for rehabilitation services to disabled persons would be substantially improved by adding a number of services not hitherto covered by shared cost agreement, including transportation services and the operative and capital costs of provincial rehabilitation facilities.

In addition, sharing would apply when such services are extended for the purpose of helping disabled people to become more self-dependent in their homes instead of only when the services relate to obtaining employment. Improved financing for support services for the aged and handicapped is intended to enable as many as possible to remain in their homes and communities rather than being sent to institutions. Such services could include homemaker services, meals on wheels, and day-care for the aged and the handicapped.

[Mr. Marshall.]

I have just stated what this government is doing for the blind and disabled and others for whom the government shows such deep concern.

● (2210)

SUPPLY AND SERVICES—CREATION OF JOBS IN AEROSPACE INDUSTRY IN WINNIPEG—GOVERNMENT ACTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, on May 23, 1974, a great stage production reached Winnipeg, Manitoba. It was none other than the "Liberal travelling road show" with a list of goodies. The main actors in this road show were the Prime Minister (Mr. Trudeau), the Minister of National Defence (Mr. Richardson), and the hon. member for St. Boniface (Mr. Guay). It had an illustrious director, none other than the president of the Liberal party of Canada, Senator Molgat of Manitoba.

In this great ham production it was announced that there would be a $15 million hangar built in Winnipeg—one of the goodies. It was reminiscent of the 1972 campaign, the "goodies campaign". Well, we have seen no evidence of this $15 million hangar being built, and if it ever is built it will not be a political gift. It was announced as far back as 1968 as an Air Canada requirement for Winnipeg to look after the larger aircraft.

It was also said in this road show that 800 aerospace jobs would be created in Manitoba. We have seen no evidence of 800 jobs being created. There has been a decrease in the number of aerospace jobs in Winnipeg. Despite the announcement that the Minister of Supply and Services (Mr. Goyer) made last week that the Buffalo aircraft would be overhauled at the Bristol plant, this will mean no increase in staff whatsoever.

Shortly after this big show on May 23, 1974, the Liberals put out a paper called the "South Centre Focus". This paper states that 800 new jobs will be created for Winnipeg South Centre, and continues:

> It is estimated that 800 new jobs will be created as a result of James Richardson assigning all the Department of National Defence Boeing 707 work to the Winnipeg facility and as a result of the directions given Air Canada.

What does this mean to my riding of Winnipeg South Centre? A bunch of baloney. They are so concerned with my riding! It would mean the addition of 3,600 people into the community, based on a family unit of four. It is said that these jobs would mean an annual payroll addition of $10 million, based on an average wage of $12,500. I say that is completely false.

I now refer to some other election material put out by the Minister of National Defence:

> The latest and in some ways the most important achievement in Jim Richardson's six years as the federal member from Winnipeg South is the return of a major Air Canada overhaul base to Winnipeg.

Completely false. This election material goes on to say:

> That "something" has been achieved by Jim Richardson and the Air Canada overhaul base is back home again in Winnipeg.

Another complete and total fabrication. He is playing with people's lives; he is misleading people, and hon.

members opposite do not care. I hope they have a good answer; if so, I will apologize.

This material goes on to say that Air Canada's $15 million super hangar will overhaul the Boeing 727's. The 727's are going to be overhauled in Montreal, and the minister knows it.

Air Canada made a statement on December 5, 1974, under a heading in the *Free Press* "Air Canada hangar role 'conjecture'". The statement continues:

The type of work to be carried out in the new Air Canada line maintenance hangar which should be built by 1976 is still "conjecture", and Air Canada spokesman in Winnipeg said in a telephone interview Wednesday.

Then we have been told that more grants will be made available for CAE in Winnipeg. Under the heading "Richardson, Marchand consult on Winnipeg aircraft work", a *Free Press* report goes on to say:

A federal government capital grant of between $2,000,000 and $3,000,000 is available for new equipment at the CAE aircraft repair base—

I guarantee that the whole thing will be closed down by the end of the year. In answer to a question of mine on May 23 about the creation of 800 aerospace jobs, the Minister of Supply and Services said that Bristol Aerospace engaged more workers than last year. I have checked into this and there has been no expansion whatsoever at Bristol Aerospace. The minister went on to say that the "general aeronautical situation in Winnipeg is much more advantageous than in any other region of Canada". If it is advantageous in Winnipeg, I should like to know what it is like in the rest of the country.

Another news release also from Boeing indicates there are layoffs rather than any expansion. In a news release dated May 29 from the International Association of Machinists and Aerospace Workers of Winnipeg it is stated:

From the present total employment of 160 (98 union, 62 management), there will be continuous layoffs until the total employment target of 69 (48 union, 21 nonunion) is reached on August 1, 1975.

We are going down, Mr. Minister, we are not going up to the 800 figure, and we will never let you forget this in Manitoba. The press release continues as follows:

To reach this goal there will be 91 layoffs within the next two months.

In its future plans, C.A.E. finds it no longer good business sense to retain its Department of National Defence approval, therefore, will no longer be qualified to perform any sort of work for the Department of National Defence. It also means the elimination of all side shops such as welding, heat treating and plating.

The Company does intend to retain its M.O.T. approval which allows it to work on civilian aircraft; however, this type of work is of a very inconsistent nature.

The news release also states:

Air Canada still owes C.A.E. 100,000 man-hours of work for 1975, and D.N.D. owes 40,000 man-hours of work.

I hope the minister will be able to inform me tonight when this work is to come forward. The release continues as follows:

Supply and Services Minister Jean-Pierre Goyer stated that Winnipeg is a privileged city because of all the aerospace work being performed here; we question this statement. We also realize that the promise to create 800 new aerospace jobs in this city was a damn lie.

TransAir did absorb about 20 C.A.E. employees but since January 1, 1975, 130 employees have departed from C.A.E. Many former C.A.E. employees have been forced to accept low paying jobs, and you can be assured that they have considerable resentment toward the government because of its lies and neglect of the West.

I should like to point out that the aerospace industry—

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member but his allotted time has expired.

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I am not going to comment on the non-parliamentary words that have been used by my hon. friend, as I think we have had a lot of those comments today. Perhaps we can go to the substance of the matter.

Since January of this year my department has placed a total of $11,907,000 in contracts with the Manitoba aerospace industry. For the balance of this year I expect that an additional $4 million will be placed quite shortly, possibly rising to $6 million, depending on the timing of future government aircraft programs.

Of this work close to $6 million worth of contracts will be carried out by Standard Aero in the manufacture of engine components and the repair and overhaul of engines, while almost $8.9 million involving manufacture of aircraft components and the overhaul of aircraft will be performed by Bristol Aerospace Limited. As a matter of fact as recently as last week I announced a contract with Bristol in the amount of $1.64 million for the conversion of D.N.D. Buffalo aircraft to research and rescue machines.

These government contracts alone will provide jobs for over 700 people in the current year. I think it is important to recognize the substantial share of the federal government's aerospace requirements that is enjoyed by the Manitoba sector of the industry. For example, in the fiscal year 1974-75 the distribution of aircraft repair and overhaul contracts alone present the following interesting figures: In terms of dollars awarded the figures are Nova Scotia, $4.7 million; Quebec, $29.5 million; Ontario, $29.1 million; Manitoba, $13.8 million; Alberta, $2.4 million and British Columbia $262,000. In terms of dollars per head of population Manitoba is first with $13.67. Second is Nova Scotia with $5.79. Then Quebec follows with $4.89. The total for Manitoba is away out in front of all the provinces in its share of the repair and overhaul business.

● (2220)

I should further note in passing that while employment in the aerospace industry declined nationally from 35,000 to 25,400 people between the end of 1969 to the middle of 1974, it rose in Manitoba from 2,300 to 2,900 people in the same period. Definitely things could be improved, but I believe this proves that Manitoba is well ahead in terms of the aerospace industry.

In conclusion I should like to say that in respect of the Air Canada hangar the hon. member will see that the government will fulfil its promise. In the case of the DND-707 repair and overhaul facilities I hope that the strike at TransAir will come to an end in order that we may continue the work we promised in Manitoba.

Adjournment Debate

ENERGY—FUNDY TIDAL POWER PROJECT—INQUIRY AS TO COMMENCEMENT OF STUDIES

Mr. J. Robert Howie (York-Sunbury): Madam Speaker, the problem of assuring an adequate production of low-cost power for the Atlantic seaboard is compounded by the lack of co-ordination between the federal and provincial governments, the lack of positive leadership and planning.

I made the suggestion to the Minister of Regional Economic Expansion (Mr. Jamieson) in committee and in the House that the greatest potential infrastructure dynamic in Atlantic Canada today is the Fundy tidal power project, which has been favourably endorsed and is to be the subject of a five-phase study. What I wish to do tonight is convince the Minister of Regional Economic Expansion that it is very important for his department to be directly involved in the Fundy tidal power project to ensure that its full impact as a development tool is recognized and realized. In other words, I want DREE to assume the leadership for this project and fill the vacuum which has existed too long. I feel that DREE has demonstrated the capability of being the vehicle to harness the input of all departments of government, the provincial governments and agencies, to move this project forward.

The Fundy tidal power project can have a tremendous impact on recreation, tourism, industry and commerce in Atlantic Canada. It could do for Atlantic Canada what the tar sands can do for western Canada. It is my hope that the minister would welcome the challenge. At the very least, DREE should be represented on the study board.

The Atlantic region of Canada has one of the greatest predictable energy potential developments in the world. At the head of the Bay of Fundy, between New Brunswick and Nova Scotia, the tides rise and fall some 50 feet twice a day, and this phenomena will go on forever into the future. The energy which this volume of water could generate passing through turbines amounts to billions of kilowatt hours when converted into electric energy. A large-scale Fundy power development would save over 10 billion barrels of oil over a 75-year period.

The development of a Fundy tidal power project in the Atlantic region would be the first real infrastructure on which all manner of other industrial enterprises could be founded. It is only natural that enterprises consuming power will locate where the source of power is large and constant, not threatened by external factors such as world politics and resource shortages. There is a vast potential for electrochemical and electrometallurgical industries which are so dependent on the availability of large blocks of electrical energy. Moreover, there could be a tremendous surge in tourism which will have a great impact on employment growth rates within the related service industries.

Fundy tidal power development has many advantages. It can provide an independent energy source for Atlantic Canada while conserving oil for the rest of Canada. It can help to improve Canada's balance of payments. It would provide Atlantic Canada and the rest of Canada with greater security against the risk of rising energy costs. It becomes part of the solution to the basic problem of regional disparity, and it gives people of the Atlantic region a sense of pride and confidence, not only in their own region but in the knowledge that they can contribute significantly to the rest of Canada.

[Mr. Goyer.]

With all these advantages going for it, and a major energy crisis on our doorstep, now is the time for action on the Fundy tidal power project. It is time that the federal government, and in particular the Department of Regional Economic expansion, took the initiative and provided positive leadership in this field. With strong leadership we can have interprovincial support, and with strong direction and purpose we can have federal-provincial co-operation. The sooner these great sources of renewable wealth can be developed for the benefit of the citizens of Canada, the better.

I suggest that a start could soon be made on the Shepody Bay and possibly the Minas Basin project by forming a Crown corporation, with shares owned by New Brunswick and Nova Scotia in proportion to their investment and legal rights, and with financial input from the federal government. Strong leadership from the federal government could bring the provinces together to settle the many questions concerning the division of obligations and benefits from such a project.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am very happy to respond to the hon. member for York-Sunbury (Mr. Howie). He has spoken about federal leadership in energy matters relating to the Maritimes. I should like to point out to him some facts of life.

Let me point out, first of all, that the federal government in the past year has poured $1 billion worth of compensation payments into Quebec and the Atlantic provinces to provide a uniform price for crude oil. I should also like to point out the Point Lepreau nuclear generating station which will receive half of its funding from the federal government, as well as the hydro interconnections between various provinces and the value of that standing offer by the federal government.

The hon. member has quite rightly raised the matter of the five Fundy tidal power studies. Surely this is one of our great untapped power generating sources. I assume that the hon. member is referring to the recommendations of the Bay of Fundy Tidal Power Review Board. That board suggested that the 1967-1969 Atlantic Tidal Power Programming Board study be extended by a series of phased studies relating to the five following points: first, marketing of tidal power; second, transmission of tidal power; third, retiming or storage of tidal power; fourth, power system studies relating to utilization and marketing of tidal power; and fifth, environmental impact arising from development of tidal power in the Bay of Fundy area.

I am happy to indicate to the hon. member that arrangements have now been concluded whereby the federal government is authorized to meet 50 per cent of the cost of the recommended studies, and the provinces of New Brunswick and Nova Scotia will each pay 25 per cent of the cost, up to a maximum total cost $3 million.

Discussions have been and are currently taking place between federal and provincial officials on the setting up and management of the study program. A meeting of federal and provincial officials is currently scheduled to

take place later this week so that they may allocate specific study work projects and arrange for their execution.

I think this will indicate to the hon. member that activity is going on between the two levels of government to see that these important studies related to the Bay of Fundy tidal power will be carried out.

Adjournment Debate

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

Motion agreed to and the House adjourned at 10.32 p.m.

HOUSE OF COMMONS

Tuesday, June 3, 1975

The House met at 2 p.m.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF DELEGATES OF THE FRANCE-CANADA INTERPARLIAMENTARY ASSOCIATION

Mr. Speaker: Before the oral question period, I wish to mention the tenth anniversary of the France-Canada Interparliamentary Association. We are quite honoured in stressing the importance of the event to receive the French delegation.

I am pleased to draw to the attention of the House the presence in the Speaker's gallery of the members of the French delegation under its very distinguished president, Mr. Lucien Neuwirth. On behalf of hon. members I extend to our distinguished guests a very sincere welcome.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—OUTLINE OF GOVERNMENT MEASURES TO DEAL WITH SITUATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Prime Minister indicated yesterday that the government was preparing to take certain legal actions in respect of the withdrawal of the services of longshoremen in Montreal. He said he would expect that by "tomorrow", which is today, he or one of his ministers would be able to inform the House in this regard.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the Minister of Labour, the Minister of Justice or myself could indicate that contempt charges are being laid this afternoon—they may have already been laid—and that actions are being taken against a certain number of longshoremen. If the hon. Leader of the Opposition wants further details, perhaps the Minister of Labour might give them.

● (1410)

Mr. Stanfield: Mr. Speaker, perhaps the Minister of Labour might try his hand at telling us what is going on.

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I would advise the Leader of the Opposition, as the Prime Minister indicated, that contempt proceedings are being initiated this afternoon against the union in question. I have also been advised that this afternoon there will be charges laid under the Criminal Code against the president and the vice-president of the union and other people. Also proceedings are being initiated for offences under the Canada Labour Code against certain individuals. Fourth, I would advise the Leader of the Opposition that evidence is being analysed concerning possible intimidation. After the analysis of that evidence, if it should appear to be sufficient, we will turn it over to the provincial authorities. In the meantime, so far as any possibility of intimidation being carried on on the premises to prevent workers turning up for work or other types of intimidation, the National Harbours police in co-operation with the Montreal police would prevent this form of conduct.

Mr. Stanfield: Mr. Speaker, I should like to address this question to the Minister of Labour or the Minister of Justice. Could either gentleman indicate the nature of the criminal charges being laid and tell us whether these charges are being laid under a general instruction of the Minister of Justice of Canada or under the auspices of the government of the province of Quebec.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the initial charges being proceeded with involve actions which constitute possible infractions under the Criminal Code and the Canada Labour Code, and accordingly those will be proceeded with by the agents who ordinarily are agents of the Attorney General of Canada, but insofar as they involve Criminal Code matters they will be acting as agents of the provincial attorney general. There may be certain other matters more clearly and ordinarily criminal in their nature, without any connection with the Labour Code as such, and these will be referred to the agents of the provincial attorney general.

STRIKE OF LONGSHOREMEN IN QUEBEC—NUMBER OF PEOPLE INVOLVED IN PROSECUTIONS—TYPE OF PROCEEDINGS AGAINST VICE-PRESIDENT AND PRESIDENT OF UNION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, could the minister tell the House how many individuals are involved in the series of prosecutions we have been hearing about in the last few minutes. Are we talking about half a dozen or are we talking about hundreds of people? What is the effect of this and what is the anticipated number of men who will be subject to charges, either contempt charges or charges under the Criminal Code or the Labour Code.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, so far as the reference to charges this afternoon is concerned, these charges are against the president, the vice-president and three or four others. That is my information as of this afternoon. With regard to the possibility of future charges, I cannot give any further information at this time.

Mr. Fraser: Mr. Speaker, I have a further supplementary for the Minister of Justice. Could the minister tell the House whether the charges against the president and the vice-president of the union are being brought under the Criminal Code or whether these are contempt proceedings under the back-to-work legislation passed a few weeks ago in the House of Commons.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, perhaps I might clarify what the Minister of Labour said. We are planning to proceed with contempt proceedings arising out of the order of the Chief Justice made following proceedings under the special bill passed. That will go forward at once. There is in addition the matter of charging individuals for contravention of the special law in which cases charges will be laid under the Criminal Code. The same facts relate to sections of the Canada Labour Code. Some five individuals are involved in the immediate charges today.

Mr. Fraser: Mr. Speaker, for clarification may I ask the minister, when he said there are contempt charges being laid now in connection with the refusal to obey an order involving the Quebec courts several weeks ago, could he tell the House now exactly how many people are involved in those particular proceedings. He mentioned the number five, and I am not sure whether he was referring to these particular proceedings when he mentioned that number.

Mr. Lang: The proceedings which came before Chief Justice Deschênes are against the union organizations as such and not against individuals.

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PRIVILEGE

MR. DIEFENBAKER AND MR. TRUDEAU—DATE OF RULING

Mr. Speaker: Order, please. Before recognizing the hon. member for Oshawa-Whitby, may I take a second to say something I intended to say at the commencement of today's proceedings. With respect to the outstanding questions of privilege, I thought it might be possible to make my ruling today. I find I would prefer to make it tomorrow afternoon at three o'clock.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED STATEMENT OF SERGEANT LEDUC IMPLICATING GOVERNMENT EMPLOYEES IN DRUG TRAFFICKING—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Solicitor General. I should like to ask the minister whether a certain Sergeant John Leduc of the RCMP drug squad was acting with his knowledge or with his approval when he made certain statements to the press which implicate directly some 60 government employees and indirectly many more in the Montreal area concerning charges of illicit trading in drugs.

[Mr. Munro (Hamilton East).]

Hon. Warren Allmand (Solicitor General): No, Mr. Speaker, he was not, nor was he acting with the authority or knowledge of the commissioner or even of his commanding officer. As a matter of fact, we are not too sure whether the particular officers mentioned in the article did in fact make those statements because they are presently out of the country on a drug investigation. But it is being checked at present.

Mr. Broadbent: What steps is the minister taking concerning these very serious allegations? Does he intend to inform the House of the nature of the investigation that is taking place? I am asking the question knowing full well that the minister may not be able to give all the details if an investigation is underway, but I am concerned and the House is concerned not only about the potentially guilty people involved but also about the substantially greater number of innocent people who have been implicated by the revelation of this kind of information.

Mr. Allmand: I agree with the hon. member on that point. That is why we never say that an investigation is underway while it is still underway. I am meeting with the commissioner this afternoon and we will discuss this further. All we can say at present is that there has been an investigation into certain allegations of activities at the airport. I just cannot give any more information at the moment, but I will be ready to report further tomorrow.

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NATIONAL REVENUE

ALLEGED RCMP REPORT CONTAINING ALLEGATIONS AGAINST EMPLOYEES AT MONTREAL AIRPORT—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): I have a supplementary question for the Minister of National Revenue. Could he inform the House on whether an RCMP report—which I am informed was made to his department more than a year ago, that is prior to the time the present minister became minister of his department—was brought to his attention concerning certain allegations made about employees in his department at the Montreal airport and, if so, what action he has taken since he became minister to deal with that report?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, as indicated by the Solicitor General, it is very difficult to comment on inquiries of this nature. In so far as the Department of National Revenue is concerned, we have co-operated fully with the RCMP in any investigations at that port in order to apprehend anyone who might be in violation of the law.

ROYAL CANADIAN MOUNTED POLICE

DATE WHEN MINISTER BECAME AWARE OF INVESTIGATION OF EMPLOYEES AT MONTREAL AIRPORT ALLEGEDLY INVOLVED IN DRUG TRAFFICKING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my supplementary question is directed to the Solicitor General, and it falls along the lines of the questions put by the hon. member for Oshawa-Whitby. Can the minister tell the House when he was first aware of this alleged internal report of the RCMP and of the investigation?

Hon. Warren Allmand (Solicitor General): When a reporter approached me in the corridor this morning and asked me if I had read the article in the *Globe and Mail.*

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NATIONAL REVENUE

POSSIBLE MINISTERIAL INQUIRY INTO ALLEGED INVOLVEMENT OF CUSTOMS OFFICIALS IN DRUG TRAFFICKING

Mr. J. P. Nowlan (Annapolis Valley): I must say that that is a most illuminating answer. I have a supplementary question which I should like to direct to the Minister of National Revenue. Is the minister at present conducting an internal ministerial inquiry to ascertain whether customs officials are directly involved in this alleged smuggling conspiracy?

Hon. Ron Basford (Minister of National Revenue): Mr. Speaker, we are working with the Solicitor General's department and the RCMP to determine it.

* * *

● (1420)

[*Translation*]

INDIAN AFFAIRS

MEASURES TO PROTECT PUBLIC BUILDINGS IN INDIAN AND INNUIT VILLAGES AGAINST FIRE

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

Has the minister been advised of a fire which could have resulted in loss of lives in Sand Park, Fort George, during the night of May 11, and can he tell us whether steps have been taken to inspect all federal public buildings in the Indian and Innuit villages to correct all deficiencies in the electric heating systems and others which could endanger the lives of citizens living in those buildings?

[*English*]

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to thank the hon. member for giving me notice. I was not aware of the fire to which he referred. I do know that around Christmas of last year we received a report from the Dominion Fire Commissioner concerning the school to which the hon. member referred. All the measures recommended in that report dealing with public safety and the safety of the occupants were taken, including the installation of fire extinguishers, panic doors, alarm systems and so on. Next week further inspection of the electrical system is scheduled, and four new hydrants are to be installed in the near future.

[*Translation*]

Mr. Laprise: Mr. Speaker, I have a supplementary question. Since this inquiry was conducted a year ago and this incident has just occurred, can the minister say whether he is in a position to take steps to have these public buildings rechecked and do whatever may be necessary to prevent any recurrence in the future?

[*English*]

Mr. Buchanan: As I said, most of the corrective measures suggested have already been taken. We are now in the process of taking the final measures, and there will be an additional inspection next week. A similar process of inspections is carried out in our buildings throughout Canada.

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LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—POSSIBLE MEETING BETWEEN UNION REPRESENTATIVES AND MINISTER—DATE OF RE-OPENING OF PORT OF MONTREAL

Mr. J. M. Forrestall (Darmouth-Halifax East): Mr. Speaker, I would like to come back to the situation in Montreal for a moment and direct a question to the Minister of Labour. Leaving aside for one moment the area of charges, because I think the concern of the country is to see the port re-opened and the men back to work, could the minister advise the House whether he or any other members of the government are prepared to meet with representatives of the longshoremen's association who, I understand, are coming to Ottawa tomorrow for the purpose of airing their grievance? Could the minister give us some indication, first of all, whether he will meet with them; and second, whether he believes the port might be back in operation in a relatively short period of time?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, indications have been conveyed to the union in question that I would be prepared to meet with them. I will certainly not meet with them while they are in breach of a law passed by parliament. If they go back to work, I would be prepared to meet with them any time, of course, at their request.

With regard to the second part of the question as to my hopes that the port will be open and back to normal, I can only say that that is my hope and that we are trying to take all the actions necessary to see that that is the end result.

Oral Questions

ENERGY

FUNDY TIDAL POWER PROJECT—COMPLAINTS OF NOVA SCOTIA OFFICIALS REGARDING DELAY OF STUDIES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources which I asked the Acting Prime Minister on Friday. Have any complaints been directed to him or through him to the government regarding developments in connection with the new studies proposed relating to Fundy tidal power, in view of the fact that a number of complaints have been made by officials in the province of Nova Scotia regarding delays?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have had correspondence with the two premiers involved in this regard indicating their appointment of officials to the study, but I have not personally received complaints in this regard, although I have seen press stories to this effect.

[*Translation*]

Mr. Speaker, I should like to mention that I visited the tidal power station at La Rance, in France, last week, and I wish to express my thanks to the French government for their courtesy on this occasion.

* * *

[*English*]

FISHERIES

PRINCE EDWARD ISLAND SEAFOOD PROCESSORS—REQUEST FOR FINANCIAL ASSISTANCE IN CARRYING STOCKS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to direct a question to the Minister of State (Fisheries) and ask him if he is in a position to indicate the reply he made or will be making to the urgent request for financial assistance he received from the Prince Edward Island seafood processors. As the minister knows, they are forced to make this request because of the burden of carrying stocks of a very costly unsold product.

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, one of the reasons the inventory of unsold products is fairly high is that in some areas the catch has been very good and we rejoice in that. As for the problem raised by the hon. member, I was contacted yesterday by the provincial minister of fisheries, Mr. Henderson, and I also had a word with my colleague, the Minister for Veterans Affairs. Today I discussed the problem with my officials. Tomorrow, one of my officials of the Fisheries Prices Support Board will go to Prince Edward Island. We are giving the matter priority.

LOSS OF LOBSTER GEAR—REQUEST FOR RECONSIDERATION OF AREAS TO RECEIVE COMPENSATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, a supplementary question for the same minister. Could the minister indicate to the House if he has had a chance to examine the ice condition reports that I sent to him some time ago and if the areas designated to receive compensation for the loss of lobster gear last year are to be taken under consideration again?

[Mr. Munro (Hamilton East).]

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I regret to inform the hon. member that I do not find it possible to positively review the matter a year after the decisions were made.

* * *

ENERGY

PROPOSED ESTABLISHMENT OF INTERNATIONAL ENERGY FUND—SUGGESTION FUTURE CONFERENCES OF PRODUCER-CONSUMER COUNTRIES CONSIDER QUOTAS ON OTHER COMMODITIES

Mr. James Gillies (Don Valley): Mr. Speaker, a question for the Minister of Energy, Mines and Resources. Could the minister inform the House what position the government of Canada took at the recent meeting of the International Energy Agency in France with respect to the proposal of the Secretary of State of the United States for the development of an International Energy Fund? Did Canada agree to participate in such a fund and did Canada agree with the concept of limiting imports inter-domestic markets of foreign oil?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that question was not raised extensively at the International Energy Agency meeting although the propositions were discussed. In fact, at this point Canada has not agreed to the establishment of a fund or indeed to any limitation with regard to domestic action. Our principal attention at the conference was directed to the early completion of the allocation agreement in the event of any future international interruption of supply and also to support of the proposal that there should be more extensive international co-operation in the area of research and development.

Mr. Gillies: A supplementary question, Mr. Speaker. What position did Canada take about the proposal that any future producer-consumer meeting with respect to oil should include a study of the possibilities of production quotas and so on in other commodities as has been proposed by third world countries?

Mr. Macdonald (Rosedale): Mr. Speaker, we generally supported the initiative taken by the United States Secretary of State to have a resumed producer-consumer conference at which not only the question of energy but also the broader questions of manufactured products and other commodities could be discussed. We are waiting with interest to see the extent to which the other participants in the producer-consumer meeting, particularly the less developed countries and producers, would find the proposal of the Secretary of State a helpful step in getting the meeting going again. It is our general view that it would be useful to have a meeting and we would be quite prepared to discuss it on a broader basis.

[*Translation*]

INDUSTRY

TEXTILES—MEASURES TO ALLEVIATE PROBLEMS RESULTING FROM PROHIBITION OF IMPORTS OF POLYESTER FIBRES

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

What solution has the minister adopted to solve the problems caused to clothing manufacturers through the stoppage of polyester fibres imports from Hong Kong?

[*English*]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, at the request of the Canadian government the Hong Kong authorities restrained their exports due to representations made by the Canadian industry with respect to injury or threat of injury. Canadian fabric producers have stated that they can supply garment manufacturers with a substantial amount of the fabrics for delivery between now and mid-July. The Hong Kong authorities have also been authorized to release for immediate shipment the fabrics that were scheduled for shipment by the end of April. If there are cases where the type of fabrics offered by producers do not meet the quality standards, we will take a close look at those particular hardship cases.

* * *

NATIONAL REVENUE

STATUS OF VIETNAMESE ART TREASURES—POSSIBLE EXAMINATION BY EXPERT

Mr. Derek Blackburn (Brant): Mr. Speaker, on May 27 in response to a question concerning a shipment of Vietnamese art treasures to Canada the Minister of Immigration and Manpower stated as follows:

> . . . we will be continuing to follow this in light of suggestions which have been made through unofficial channels.

Can the Minister of National Revenue inform the House as to the present status of these art treasures?

Hon. Ron Basford (Minister of National Revenue): No, Mr. Speaker, in that they have not arrived in Canada. I have ensured that my officials are ready to receive them and deal with them under Canadian law should they arrive.

● (1430)

Mr. Blackburn: A supplementary question, Mr. Speaker. In order to determine whether these art treasures are part of the Vietnamese national heritage, has the minister made any inquiries of the South Vietnamese government on their position on these artifacts and has the minister considered it necessary to ask an expert on traditional Vietnamese artifacts to inspect thoroughly these art treasures, if they should arrive at Montreal?

Mr. Basford: Mr. Speaker, if they should arrive in Montreal that would probably be the appropriate thing to do, but they have not arrived.

NATIONAL DEFENCE

INQUIRY WHETHER CANADA INFORMED UNITED STATES OF CONSEQUENCES OF SENDING OIL TANKERS THROUGH NORTHWEST PASSAGE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of National Defence and has to do with the question asked last week concerning the fleet of icebreaking tankers which is being built in the United States to transport crude oil from Alaska through the Northwest Passage to east ports, and the complete surveillance of that area, as suggested by the minister. My question is this: has the minister informed United States authorities of this complete surveillance, of which they may be unaware, and of the dire consequences which could follow if a United States tanker fleet should carry this oil through the Northwest Passage in the manner indicated?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, our role is that of surveillance and I am certain that the United States authorities are fully aware of our capabilities of flying in the high Arctic and surveying ships passing through the Northwest Passage.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. Can the Minister of National Defence tell us whether he is aware of indications that the Americans have told the Canadian authorities that they will be carrying crude oil through waters which have been claimed under Canadian law as Canadian and which are subject to Canadian laws on pollution?

Mr. Richardson: Mr. Speaker, I do not believe the substance of that question is the responsibility of my department.

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ENERGY

SARNIA-MONTREAL PIPELINE—REQUEST PIPELINE CONSTRUCTORS REPLACE TOPSOIL

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and arises from complaints of farmers in my constituency to the effect that, in the past, pipeline constructors have often been careless in not replacing topsoil to its natural level in excavated trenches. Will the minister assure this House and the farmers and land owners of Ontario that the constructors and contractors of the Interprovincial pipeline running from Sarnia to Montreal will, after excavating and burying the pipe, replace the topsoil to its normal depth on the surface of the fields, in order that agricultural tillage can continue unimpeded?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the Minister of Agriculture has made extensive representations to me along those lines, which I have passed on to the National Energy Board which has direct responsibility in this matter. I will be glad to pass on to the board and support the hon. member's representations and seek assurances that the

topsoil and also natural water flow will not be disturbed by any pipeline construction.

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REGIONAL ECONOMIC EXPANSION

PRINCE EDWARD ISLAND RURAL DEVELOPMENT COUNCIL—REQUEST FOR ASSURANCE OF PUBLIC PARTICIPATION IN SECOND PHASE

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion and has to do with the recent decision involving the Rural Development Council and the next phase of the development plan of Prince Edward Island. As the minister indicated earlier that this decision came as a complete surprise to the federal government, I wonder if the minister can say what assurances he has received and what plans are being made with respect to public participation on the second phase aspect, particularly third party participation, as that, certainly, was a vital ingredient in the first plan of 1969 and will be important for the over-all success of phase two of the plan.

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, yesterday I called Premier Campbell, but he is out of the country and will be away for a week or so. I talked to the acting premier and suggested that our officials should, during the next ten days or two weeks, discuss the final stages of the implementation of the second phase of the plan. The timetable I anticipate is that in the next two weeks we will get that agreement in shape. A portion of that agreement will relate to the general question of the consultative process and public participation. When the premier returns, I will sit down with him to discuss the final document and the eventual signing.

PRINCE EDWARD ISLAND RURAL DEVELOPMENT COUNCIL—REASON FOR CHANGE IN PLAN—DATE OF SIGNING OF AGREEMENT

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. I wonder, since this decision came as a surprise to the minister, can he say if he has received indications showing why there was this major change in the plan after it had been worked out and was to be considered by the cabinet? Can he tell us briefly what those reasons are and, secondly, when will the second phase be signed and when will the details be made public, so that the people of P.E.I. and Canada will be aware of them?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, to answer the second part of the question, I do not expect that it will be much later than the middle of June, always assuming that the original discussions between our governments are embodied in the final documents. On the question of the rural development council, all I can say is that when the decision was taken by the government of Prince Edward Island I called, as I mentioned, to advise the premier of the representations which had been made to me, but, as he was not there, I was not able to pass them on.

[Mr. Macdonald (Rosedale).]

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[*Translation*]

HOUSING

AVAILABILITY OF CENTRAL MORTGAGE AND HOUSING CORPORATION FUNDS FOR CONSTRUCTION OF SINGLE FAMILY RESIDENCES IN QUEBEC

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

Can he advise the House whether sufficient new funds have been made available to CMHC to meet the need in Quebec for single family dwelling construction?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have been checking with the corporation and the regional offices, and there are sufficient funds available to meet the applications which are coming forward now in encouraging numbers. The program is proving successful; so far, funds are holding up, and people should continue to apply.

[*Translation*]

Mr. Gauthier (Roberval): A supplementary question, Mr. Speaker. Could the minister find out why the Chicoutimi office which serves the Saguenay-Lake St. John area claims it is lacking funds at the present time?

[*English*]

Mr. Danson: Mr. Speaker, I will check into that and report to the hon. member, and I would urge that any constituents should re-apply, to make certain that the situation is as suggested. I will check the matter out, specifically.

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AIR TRANSPORT

FAILURE OF ALBERTA TO OBTAIN CANADIAN TRANSPORT COMMISSION APPROVAL OF ACQUISITION OF PACIFIC WESTERN AIRLINES—GOVERNMENT POSITION

Mr. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Transport. What does the government propose to do, in view of the failure of the government of Alberta to comply with federal law in obtaining CTC approval for its acquisition of Pacific Western Airlines. Also, does the government approve of this acquisition?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is of course a matter which we are looking into and which has already been looked into mainly by the CTC. Surely this raises a number of issues which we should like to clarify before we reach a particular decision with regard to Pacific Western Airlines Ltd.

[*English*]

HEALTH

ARSENIC LEVELS IN NATIVE POPULATION—SUGGESTED PAYMENT OF COMPENSATION—GOVERNMENT ACTION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a double-barrelled question for the Minister of National Health and Welfare. It concerns his department's survey of arsenic levels in hair samples taken from residents of Yellowknife. Is the minister aware that the National Indian Brotherhood has conducted a similar survey which indicates a higher proportion of arsenic in people, especially in children. The survey shows arsenic at dangerous levels. Is the government prepared to introduce more strict regulations controlling emissions from the mine and to protect the workers in the mine, and is the minister prepared to have the mining companies compensate people who have been affected for the damage done to their health?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as regards the first part of the question, I have read in the press some references to a study conducted by the National Indian Brotherhood. I did not get any copy of that study. We have asked the Indian Brotherhood to get us a copy; my officials will surely look into it with great interest. Again, we will examine what precisely is the scientific base of that study and compare with the one already done by my department.

As for the second part, further studies are under way. I have already stated, following the publication of the first study, that more thorough studies have been launched, particularly on identified cases showing what appears to be a high arsenic rate; this applies particularly to workers of plants in that region, and it is in light of this second study that we will be able to assess the necessary measures.

* * *

[*English*]

INFORMATION

ALLEGATION OF GOVERNMENT SECRECY—PROPOSAL RALPH NADER BE CALLED AS WITNESS BEFORE COMMITTEE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct a question to the hon. member for Halifax-East Hants in his capacity as co-chairman of the Committee on Regulations and other Statutory Instruments which is dealing with the question of government secrecy? Would the hon. member consider discussing with his co-chairman the possibility of calling Ralph Nader as a witness, in view of statements Mr. Nader has made about government secrecy in this country?

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. McCleave: —I hope that the famous bomb shelter has not shrunk so much that I will not be able to crawl into it.

● (1440)

AIR TRANSPORT

AIR TRAFFIC CONTROL COMMUNICATIONS—DATE OF ANNOUNCEMENT OF POLICY ON BILINGUALISM

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Transport concerning the Bilcom report. On May 28 the minister said he was waiting for all representations regarding the use of bilingualism in air to ground flight communications. Has the minister received all the necessary representations, and if so, is he in a position to inform the House when the government, in the interest of public safety, will announce their policy in this regard?

Hon. Jean Marchand (Minister of Transport): The answer is no, Mr. Speaker.

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CONSUMER AFFAIRS

STUDY OF PROBLEMS OF CONSUMERS IN ISOLATED NORTHERN COMMUNITIES—REQUEST FOR PUBLICATION OF REPORT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Is the minister prepared today to report on the progress of the study ordered by his department which was designed to canvass and monitor consumer groups and individuals in isolated northern communities in light of the very special problems they face?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I am not yet ready to give that answer, Mr. Speaker.

[*English*]

Mr. Oberle: In light of discussion on Bill C-2, which is presently before the committee, will the minister make the report public to enable members to make a judgment as to how his controversial bill might affect people in those isolated northern communities?

[*Translation*]

Mr. Ouellet: Mr. Speaker, when the report is received, I will look into the recommendations, and if there is need to publish them I will be glad to do so.

* * *

[*English*]

HOUSING

INABILITY OF RURAL RESIDENTS TO OBTAIN LOANS FROM CENTRAL MORTGAGE AND HOUSING CORPORATION—GOVERNMENT ACTION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. As the minister knows, rural residents and those in small villages are not able to get CMHC approved loans. Has the minister made any progress at changing

this stipulation in order that rural residents can have the same opportunity as urban dwellers to receiving government funding for housing?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, without accepting the full premise of the hon. member's question, there were some 40,000 CMHC loans made in rural areas in the past year. The majority of those were on properties with septic tanks. As to the substance of the question, the policy has been reviewed by CMHC. I am preparing a release for all members so that they will know the new status. Greater flexibility will be granted. There will be close co-operation with the provinces to establish more flexible guidelines for rural areas, rural communities and fringe areas of urban communities where the health standards of the province are met and undesirable development does not result.

RURAL AND NATIVE HOUSING PROGRAM—REQUEST FOR ASSURANCE PROGRAM COVERS EVERY CONSTITUENCY

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have a supplementary question for the Minister of State for Urban Affairs. Can the minister assure the House that the program for rural and native housing does in fact cover every federal constituency in Canada?

Hon. Barney Danson (Minister of State for Urban Affairs): No, Mr. Speaker, I cannot give that assurance. I do not think it applies to Toronto-Davenport or downtown Halifax. However, in those areas which are designated by the provinces as being eligible under those programs, it will apply. In most cases, rural constituencies will be eligible if an agreement is reached with the province. It is a matter of priorities established in co-operation with the provinces, which we enjoy in great measure.

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AGRICULTURE

REQUEST FOR ASSURANCE CANADIAN ARMED FORCES PERSONNEL IN EUROPE RECEIVE CANADIAN BEEF

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, I wish to direct my question to the Minister of Agriculture. In light of the fact that questions directed to the Minister of Supply and Services and the Minister of National Defence in order to ascertain whether the Canadian armed forces in Europe are eating Canadian beef have received non-committal answers, will the minister tell the House whether armed services personnel in Europe are eating Canadian beef?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I know is having eaten beef at the station in Europe once or twice, it was high quality, excellent beef.

Mr. Hurlburt: Will the minister inform the House whether the 707 trips to Lahr each week with cargo space for Canadian beef are being by-passed and we are buying our beef from the United States government?

[Mr. Darling.]

Mr. Whelan: Mr. Speaker, I understand that certain meat is bought in different countries at different times. We buy high quality meat for the Canadian bases. At that time, a lot of it was coming from Denmark.

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CRIMINAL CODE

POSSIBILITY OF AMENDMENTS TO PROVIDE MORE EFFECTIVE CONTROL OF GUNS

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, will the Minister of Justice assure the House that, contrary to the published press reports to the effect that the tragic shootings in Brampton will not result in stricter gun control legislation, he will in fact evaluate and support reasonable proposals for more effective gun control and also evaluate possible amendments to the Criminal Code to increase penalties for crimes involving guns?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are always searching for ways of creating more order and control with regard to breaches of the law in this country or with regard to matters such as those to which the hon. member has just referred. It is not often recognized that we, in fact, have quite stringent gun control laws in this country with regard to restricted and prohibited weapons. We will certainly be looking at whether stiffer penalties or better procedures are in fact reasonable. It is a problem whether or not registration systems accomplish very much by themselves. It has been my stated view that we want to be sure they in fact do that and not simply impose unnecessary red tape upon the citizens of this country.

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THE BUDGET

POSSIBLE POSTPONEMENT OF DATE OF PRESENTATION—GOVERNMENT POSITION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Is consideration being given to postponing the presentation of the budget from June 23 to mid-July, and is the reason for this the necessity of having a first ministers' meeting and the problem of scheduling such a meeting?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

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ENERGY

POSSIBILITY OF MEETING WITH PROVINCES TO DETERMINE PRICE OF CRUDE OIL

Hon. Marcel Lambert (Edmonton West): Last week I asked the Acting Prime Minister whether a meeting of the first ministers would be held in June to determine the question of the price of crude oil in Canada. The Acting Prime Minister indicated there was some desirability in

holding such a meeting. Can we now have some indication whether such a meeting is to be held and, if so, on what date? That question may be directed to the Minister of Finance since he is implicated. If not, I direct it to the Prime Minister. I am sorry, the Prime Minister was not involved. Will the Prime Minister advise whether a meeting of the first ministers is to be held some time this month prior to the date of the budget and, if so, on what date, the purpose of the meeting being to determine the price of crude oil in Canada?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. There is no plan for a federal-provincial meeting of first ministers. Of course, this does not preclude consultation on a bilateral basis with various first ministers.

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ENVIRONMENTAL AFFAIRS

SUGGESTED ACTION TO CONTROL POLLUTION OF LAKE TIMISKAMING AND UPPER OTTAWA RIVER

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to direct a question to the Minister of the Environment. In view of the fact the cities of Ottawa and Hull, the provincial governments of both Quebec and Ontario and the federal government have co-operated in controlling pollution of the Ottawa River, will the minister consider extending the federal control to the environmental officials operating on the upper Ottawa or Lake Timiskaming so that some control can be exercised before raw sewage is dumped by some municipalities into the Ottawa system? That control only rests with the provincial governments and the area municipalities at the present time.

[*Translation*]

Hon. Jeanne Sauvé (Minister of the Environment): Mr. Speaker, obviously, if the report of the task force I set up to study the problem of the Ottawa river pollution indicates that the causes of that pollution are found upstream, certainly solutions will have to be found to it; then we can find out what the municipalities can do for, as we know, they are responsible for the treatment of their sewage.

● (1450)

[*English*]

Mr. Peters: A supplementary question, Mr. Speaker. The minister may or may not know of her responsibility because of the interprovincial nature of Lake Timiskaming, but when New Liskeard dumped all its lagoons into the river recently it caused considerable problems in the area, and this sewage will flow down into the Ottawa River as well. Secondly, an investigation is going on which indicates that a large amount of mercury and probably a large amount of arsenic as well is in that area. In view of the interprovincial nature of this problem, would the minister see that her officials participate with those now examining the situation?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, that is the very reason for which I set up a task force. Several jurisdictions are involved. I repeat that, although the hon. member mentions the jurisdictions of the two provinces and the federal government, the fact remains that nothing can be done without the co-operation of those municipalities.

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[*English*]

MULTICULTURALISM

DATE OF PUBLICATION OF REPORT ON STATUS OF NON-OFFICIAL LANGUAGES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is to the minister in charge of multiculturalism. Would the minister please advise the House when the report on the status of non-official languages in Canada will be presented to the House and why the report is being held up? Surely this report of some 500 pages has been translated into French.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe my information that it has been translated is correct. It is in both official languages. I can assure my hon. friend that as soon as it comes out of the printers I will make it public, and I have undertaken to do that.

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NATIONAL ENERGY BOARD

MACKENZIE VALLEY PIPELINE HEARINGS—POSSIBILITY GOVERNMENT WILL PRESENT BRIEF

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In questions addressed yesterday to the right hon. Prime Minister on the National Energy Board's preliminary hearing on the Mackenzie Valley pipeline application, the Prime Minister stated that he would take notice of the question and refer the matter to the minister. Can the minister respond today to the question: In view of the fact that the National Energy Board has scheduled a preliminary hearing on the Mackenzie Valley pipeline for July 8, 9 and 10, is the government contemplating presenting or does it intend to present a statement or brief to the board?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, so far as I know there is no intention of doing so. The normal course of action in this regard is to permit the private parties to make their presentations to the National Energy Board, which exercising its best judgment arrives at a decision. If the decision is affirmative it is referred to the executive, to the Governor in Council, for a final decision. It seems to me under those circumstances the advisable course is to await presentation of the evidence on both sides of the project, and then on the basis of the board's informed decision it will be for the government to arrive at a conclusion.

Oral Questions

ENERGY

OIL—POSSIBILITY OF AGREEMENT ON WORLD PRICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question along the lines of the questions asked by the hon. member for Don Valley and the hon. member for Edmonton West of the Minister of Energy, Mines and Resources. At the world conference was price discussed, was it negotiated, and was there any agreement made at that conference as to the price of crude petroleum with reference to trade throughout the world?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, there was a reference to the fact that the OPEC nations will be meeting at Libreville in Gabon during the course of this current month to decide on the pricing of petroleum in the world market after September 30 next. There was no agreement on an appropriate price between the consumer states who participate in the IEA on this question. There was some reference by Secretary Kissinger to the concept of a minimum guaranteed price in world marketing, but again there was no extensive discussion of this question and no agreement.

Mr. Woolliams: A supplementary question, Mr. Speaker. Was the price that was discussed and which negotiations centred around the price of $8.50 a barrel?

Mr. Macdonald (Rosedale): Mr. Speaker, the price that was referred to was the price that would be set by the OPEC nations at their meeting in Gabon, and presumably would be a price increase over the current level of around $11 to $12 per barrel. There was no discussion of specific figures in regard to a minimum guaranteed price.

* * *

[*Translation*]

AGRICULTURE

POTATOES—DATE OF COMPLETION OF ASSISTANCE PROGRAM

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I have a question for the Minister of Agriculture.

Can he tell us today when the Agricultural Stabilization Board intends to end the program announced on April 1, which aims at assisting, and effectively assists, eastern potato producers, since, on the one hand, the existing terminology is relatively vague in that respect, and that, on the other hand, farmers would like to know the precise intentions of the government.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, at the end of the crop year, which normally is the end of June.

[Mr. Macdonald (Rosedale).]

TRANSPORT

CROWSNEST PASS RATES—REQUEST FOR ASSURANCE NO ALTERATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is addressed to the Minister of Transport. In view of the number of answers that have been given of a rather fuzzy nature to the simple question whether or not the government intends in the new Transportation Act to alter, amend or in any way abridge the Crowsnest Pass rates on grain, would the minister give me the assurance that such course will not be followed?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I hope that very soon I will produce this new policy, and I can say to the right hon. gentleman that nothing changes anything about the Crowsnest Pass rates.

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POST OFFICE

THREATENED STRIKE BY UNION OF POSTAL WORKERS—APPOINTMENT OF CONCILIATOR

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that the national president of the Canadian Union of Postal Workers has consigned the public to the nether regions if they do not agree with the union's posture in current bargaining, can the Postmaster General give assurance that the public will be saved from this fate by the conciliation proceedings that are now getting underway?

Hon. Bryce Mackasey (Postmaster General): Mr. Speaker, there is no particular reason why there should be a postal strike; the climate has improved tremendously, I think. I am sure the hon. gentleman would be the first who would be pleased to know that the backlog of 25 million pieces of mail in Montreal has been completedly eradicated and there is no longer a backlog.

Some hon. Members: Hear, hear!

Mr. Mackasey: There is still about a week's delay in the parcels section but that should be cleaned up soon. We have agreed to a conciliation officer, and I think that if the president's freeze, shall I say, on the exchange of polite insults is maintained and both sides get down to bargaining before a competent conciliation officer, there is no reason why we should not arrive at a good collective agreement within the month.

* * *

TRANSPORT

DATE OF ANNOUNCEMENT OF NEW POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I put a question to the Minister of Transport who referred to his new policy coming out soon. Will it be coming out in the month of June, or if it is not coming out in the month of June will it be coming out before we recess, hopefully early in July?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I sincerely hope that it will be before the House recesses.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY GENERAL OF UN CONFERENCE ON HUMAN SETTLEMENTS AND HABITAT '76

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I should like to point out that in 362 days the United Nations Conference on Human Settlements begins in Vancouver. I should like to draw to the attention of Your Honour and hon. members the presence in the gallery of the Secretary General of the United Nations Conference on Human Settlements and Habitat '76, Dr. Enrique Penelosa.

Some hon. Members: Hear, hear!

Mr. Oberle: Mr. Speaker, I rise on a question of privilege. In response to my question during the question period concerning a report commissioned by the Department of Consumer and Corporate Affairs with a private firm, the minister, I am sure inadvertently, is reported in *Hansard* as saying that the report has not yet been received by his department. My information is that indeed the report has been received by his department.

My concern is twofold. Firstly, the minister might wish to set the record straight and admit that the report has been received by his department. Secondly, if it has been received and he is not aware of it, then because of the importance of the survey that was conducted he might wish to correct this discrepancy within his department and bring the report to the attention of the House of Commons and the public.

● (1500)

[*Translation*]

OLD AGE SECURITY ACT

AMENDMENT TO PROVIDE FOR PAYMENT OF SPOUSE'S ALLOWANCE TO PERSONS SIXTY TO SIXTY-FOUR

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-62 intituled "An Act to amend the Old Age Security Act, to repeal the Old Age Assistance Act and to amend other Acts in consequence thereof".

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 720, 1,330, 1,939, 1,965, 2,344 and 2,362.

Mr. Speaker, if question No. 1,362 could be made an order for return, this return would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred questions No. 2,254 and 2,321?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

INDIAN RESERVATIONS IN ALBERTA

Question No. 720—**Mr. Schellenberger:**

1. How many Indian reservations are in Alberta?

2. In the years 1970 to the present, how much money, in the form of grants, was given to each of these reserves on an individual basis?

3. Are there any instances or extraordinary circumstances as to why one reserve may receive more in the way of grants or assistance than another?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned: 1. 91

2.	1970–71	1971–72	1972–73	1973–74	1974–75
Sarcee	$ 218,090	$ 282,647	$ 329,427	$ 365,933	$ 475,843
Stony	605,250	785,265	1,375,094	1,373,815	780,666
Blackfoot	820,100	1,172,446	1,391,417	1,673,761	1,079,997
Ochiese	—	108,663	142,874	164,836	79,531
Sunchild	—	—	94,837	127,769	90,847
Blood	1,068,400	1,364,193	1,782,333	2,192,358	1,395,888
Peigan	392,336	744,082	837,142	1,070,378	828,523
Alexander	67,830	110,827	158,708	210,900	263,026
Alexis	105,286	94,558	165,525	184,801	45,564
Enoch	61,816	112,478	113,131	182,221	63,943
Paul	106,090	171,907	188,145	220,514	265,375
Montana	19,507	31,951	41,213	65,229	47,329
Ermineskin	70,926	106,641	130,905	239,448	135,058
Louis Bull	32,825	60,125	64,495	118,931	88,533
Samson	206,782	240,815	269,716	391,768	384,276
Four-Band	2,075	58,489	95,690	115,792	54,274
Slaves	—	210,345	118,610	—	48,627

Order Paper Questions

2.	1970-71	1971-72	1972-73	1973-74	1974-75
Little Red River	—	10,500	—	50,250	25,948
Boyer River					13,140
Tallcree					300
Driftpile	3,340	5,245	24,262	70,935	22,279
Duncan	—	—	2,880	2,725	3,922
Sawridge	—	160	12,000	13,500	20,000
Sturgeon Lake	65,879	136,735	231,140	336,449	309,097
Sucker Creek	3,900	17,875	27,425	3,788	4,305
Swan River	1,350	450	—	—	231
Bigstone	8,705	13,010	28,891	50,630	25,328
Whitefish Lake	5,400	2,345	9,535	14,162	13,381
Horse Lakes	1,290	460	4,063	3,081	—
Grouard					100
Cree/Chip	3,650	195,033	226,957	150,536	170,725
Saddle Lake	522,657	629,768	210,905	451,394	213,301
Kehewin	109,157	241,016	315,997	418,053	185,914
Beaver Lake	34,900	81,342	81,260	81,413	55,763
Frog Lake	2,020	3,100	5,000	113,521	62,773
Cold Lake	4,000	4,245	14,685	114,704	169,373
Janvier	6,540	7,540	8,000	6,000	8,677
Fort McKay				2,283	
Heart Lake		756	2,871	2,677	7,820

In addition, the following three bands have received accountable contributions under the Indian Rights and Treaties Research Funding:

Blood	$20,000
Peigan	10,000
Samson	20,000

3. Core funding varies because of population and isolation factor differences. Direct administrative costs for bands administering government programs vary, depending on the size of the program. Similarly, administration overhead costs vary depending on the number of programs administered by a band.

In so far as the Department of Regional Economic Expansion is concerned: 1. Not applicable.

2. Nil.

3. Yes, such circumstances are possible where an Indian reservation falls within an area designated for purposes of regional development incentive assistance, and the Indian band itself, by means of participation in a corporation, applies for incentive assistance.

EXPORT OF OCEAN TECHNOLOGY

Question No. 1,330—**Mr. Forrestall:**

1. (a) What was the dollar level of Canada's export of ocean technology-related commodities, physical or intellectual, since 1968 by year (b) what is the estimated value of such commodities for 1974?

2. What targets, if any, have been set for the next five years, further to the intention to "stimulate development and effective participation of Canadian industry in the plan to see that Canada controls the essential industrial and technological ingredients to exploit off-shore resources," announced July 12, 1973 in the "New Oceans Policy" of the Minister of State for Science and Technology?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) The following exports are for the ocean industry which consist of companies supplying equipment and services for marine scientific activities and for the exploration and exploitation of offshore non-renewable resources. These are very rough estimates based on departmental records.

	Year	Exports (in $ Million)
	1968	1.5
	1969	1.2
	1970	1.5
	1971	2.0
	1972	8.0
	1973	37.0
(b)	1974	55.0

2. The Department of Industry, Trade and Commerce is preparing proposals for the development and support of the Canadian ocean industry. The main objectives of these proposals would be to encourage greater research and development of ocean technology in Canada, efficient production of ocean-related products on an internationally competitive basis, development of internationally competitive service contractors, higher degree of Canadian ownership and control, regional expansion of industrial activities and an increased level of professional and technical personnel with ocean-related capabilities.

[Mr. Sharp.]

POSTAL EQUIPMENT

Question No. 1,939—**Mr. Reynolds:**

1. On February 18, 1974, was a sub-contract let in the amount of $3.3 million to C.A.E. Electronics Limited, Saint-Laurent, Quebec, for postal equipment?

2. Were tenders called on this sub-contract?

3. What were the names of other companies tendering together with their proposed tender objectives?

4. Has C.A.E. Electronics ever marketed such a system before?

5. Did the Department of Supply and Services or any other department, provide financial incentives in this endeavour to provide Culler Facer Canceller?

6. Does the Department plan on purchasing further shipments of the Canceller?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Not known. C.A.E. Electronics Ltd. was offered as a suh-contractor by the prime contractor in the latter's tender, which was in competition with several other possible suppliers. C.A.E. Electronics Ltd. was acceptable to the department as a sub-contractor for this work.

3. See 2.

4. No.

5. There was a premium paid for introducing C.A.E. Electronics Ltd. to this business. However, the amount of the premium is expected to be offset many times by the new opportunities, which have the potential to produce millions of high technology business, made available to C.A.E. Electronics Ltd. by the contractual arrangements concluded between the department and the prime contractor.

6. One additional machine has been purchased and there is a possibility that the Canada Post Office will require more of these machines over the next two or three years.

HYDROGRAPHIC SERVICE CONTRACT

Question No. 1,965—**Mr. Reynolds:**

1. Did the Department of Supply and Services award a contract valued at $109,542 to Canadian Engineering Survey Co. Ltd., Edmonton, Alberta for a hydrographic survey?

2. To what intent is the survey to be used?

3. For what reason was the survey requested?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment and Minister of Fisheries): 1. Yes.

2. The results of the hydrographic survey are required for up-dating the nautical charts of Thunder Bay and approaches.

3. The accurate charting of navigable waters is essential to the development and maintenance of a viable, safe and efficient marine transportation system.

*CBC—ADVERTISING

Question No. 2,254—**Mr. Korchinski:**

1. On how many occasions and in what manner were the dramas "Ten Lost Years", "Jamie Boy" and "Baptizing" advertised by CBC?

2. Was this amount of advertising more than is customarily used for CBC drama and, if so, for what reason was it necessary.

Mr. Gustave Blouin (Parliamentary Secretary to Secretary of State): Mr. Speaker I am informed by the Canadian Broadcasting Corporation as follows: 1. Not all CBC locations keep records in such a way that the requested information is available. However, when the amount of air promotion on the entire network and on the ten CBC local stations for which a count can be made is combined, the breakdown is as follows: Baptizing—57 promotional announcements; Ten Lost Years—89 promotional announcements; You're Gonna Be Alright, Jamie Boy—79 promotional announcements. News releases were sent to newspapers and publications across the country. Ad mats for Ten Lost Years and You're Gonna Be Alright, Jamie Boy, were made available to individual stations for placement in local newspapers. The network placed advertisements as follows: Baptizing—*TV Guide*, Ten Lost Years—Daily newspapers in Toronto, Vancouver, Ottawa and Montreal; *TV Guide, Chatelaine, Time, Financial Post;* You're Gonna Be Alright, Jamie Boy—*TV Guide, Financial Post.*

2. No.

*WOOD ISLANDS-CARIBOU FERRY SERVICE

Question No. 2,321—**Mr. MacLean:**

1. Has a programme of capital dredging been planned for the Wood Islands terminus of the Wood Islands-Caribou Ferry Service, in addition to the regular maintenance dredging for 1975?

2. Have funds been made available by the Department of Public Works or the Department of Transport for such capital dredging and, if not, will they be made available through a supplementary estimate or by some other means in order that this work can be done during the 1975 dredging season?

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

2. Funds have not been made available by the Department of Public Works for capital dredging. It is not expected that funds will be made available through Supplementary Estimates or other means during 1975. The Ministry of Transport does not have funds for dredging at Wood Islands and there are no plans to request money through Supplementary Estimates.

CANADIAN POLICE INFORMATION CENTRE

Question No. 2,344—**Mr. Beatty:**

1. With reference to the answer to Question No. 621 and Question No. 622, what is the full and correct information with respect to the Canadian Police Information Centre and the Unemployment Insurance Commission?

2. In each case, what was the reason for failure to reply to the Questions?

3. For each department, agency, board, commission and Crown corporation that did not reply fully to the Questions concerning federal databanks, what would be the full and correct reply?

Hon. Mitchell Sharp (President of the Privy Council): In so far as the Ministry of the Solicitor General (Royal Canadian Mounted Police) is concerned: 1 and 2. The Canadian Police Information Centre does not maintain an automated personal data system used exclusively for statistical report or research, nor does it maintain an administrative automated personal data system. The Canadian Police Information Centre is an operational information system and, as such, questions Nos. 621 and 622 do not apply.

Order Paper Questions

1 and 2. In so far as the Unemployment Insurance Commission is concerned full and correct information was provided in response to questions Nos. 621 and 622.

3. See Beauchesne's Parliamentary Rules and Forms, Citation 171 (d).

FLIGHTS—MONCTON AIRPORT

Question No. 2,362—**Mr. Jones:**

1. How many (a) international flight (b) domestic flight arrivals and departures were handled at the Moncton Airport from March 13 to March 16, 1975?

2. How many passengers and how much baggage was handled in each of the flights?

3. Were any of the international flights and the domestic flights diverted to Moncton and, if so (a) for what reason (b) how many were regular flights (c) were customs and immigration services adequate?

4. Will the Airport be designated as an international airport with complete services and, if so, on what date?

5. What plans have been made for the expansion of passenger, baggage, terminal, runway and other facilities at the Airport?

Hon. Jean Marchand (Minister of Transport): 1. (a) There were seven arriving and 12 departing international flights. (b) There were 45 arriving and 55 departing domestic flights.

2. There is considerable detail regarding passengers and baggage handled on each of the 119 arriving and departing flights. In summary, the following pertains: domestic arrivals averaged 62 passengers per flight with an average of two pieces of baggage per passenger, international arrivals averaged 193 passengers per flight, with an average of 1.5 pieces of baggage per passenger. Domestic departures averaged 56 passengers per flight with an average of two pieces of baggage per passenger, international departures averaged 147 passengers per flight, with an average of slightly more than one piece of baggage per passenger.

3. Yes, some flights were diverted to Moncton. (a) Halifax International and Saint-John airports were closed due to the general labour strike and resultant snow accumulation. (b) None of the diverted flights were regular flights. (c) Since this airport is not a recognized international airport, facilities to handle large aircraft on international flights have not been provided, consistent with departmental policy.

4. The Ministry of Transport has no plans to support international status for Moncton airport at this time and we are not aware of any requests from the airlines to do so.

5. A master plan is now being developed for Moncton airport. Plans are now under review for passenger and baggage facilities. If approved, they will be provided as soon as availability of funds and national priorities permit. It is also planned to recap runway 11/29 in 1976-77.

[Mr. Sharp.]

QUESTION PASSED AS ORDER FOR RETURN

MULTICULTURALISM

Question No. 1,362—**Mr. Jelinek:**

1. In addition to the Department of Labour, what other departments, if any, are concerned with multiculturalism?

2. Who is the chief multicultural administrative officer (a) in Ottawa (b) in Toronto?

3. Has the government policies concerning multiculturalism, particularly in regard to (a) reception and orientation (b) language and culture (c) education?

4. What current government supported research studies are available dealing with multiculturalism and, in particular, third language learning?

5. (a) What monies and federal programmes in the multicultural area are currently in operation to which community groups might make application for assistance (b) what are the criteria of such programmes?

6. What committees or commissions are currently studying multicultural issues?

7. Is the Federal Provincial Language Agreement currently being negotiated and, if so (a) who is doing the negotiating for the government (b) does it involve other than the two official languages (c) are both adult and children's programmes included?

8. Has the government made a response to the latest recommendations of the Canadian Consultative Council on Multiculturalism and, if so, what is the nature of that response?

Return tabled.

GOVERNMENT ORDERS

[*English*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

MEASURE RESPECTING EXPORT OF CULTURAL PROPERTY AND IMPORT OF CULTURAL PROPERTY ILLEGALLY EXPORTED FROM FOREIGN STATES

Hon. James Hugh Faulkner (Secretary of State) moved the second reading of and concurrence in amendments by the Senate to Bill C-33, respecting the export from Canada of cultural property and the import into Canada of cultural property illegally exported from foreign states.

Motion agreed to, amendments read the second time and concurred in.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AMENDMENTS TO CHANGE CALCULATION OF PROVINCIAL EQUALIZATION REVENUE RELATED TO OIL AND GAS

Hon. Mitchell Sharp (for the Minister of Finance) moved that Bill C-57, to amend the Federal-Provincial Fiscal Arrangements Act, 1972, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, first of all I should again like to

express my thanks to the opposition parties for the courtesy extended to my minister and myself in permitting me to handle this bill at the second reading stage. This is the second or third occasion the opposition has extended that courtesy, and I want hon. members to know that it is much appreciated.

The purpose of the bill now before the House is to propose a number of amendments to the Federal-Provincial Fiscal Arrangements Act, 1972. These amendments relate to two of the federal government's main policies for financial support for the provinces and, through them, for Canada's municipalities. One is the program of equalization payments provided for in part I of the act; the other is the revenue guarantee program covered by part IV of the act.

Hon. members will be familiar with the equalization payments program and the massive financial support it provides to the less wealthy provinces. The basic purpose of the program is to provide provinces whose revenue-raising capacity is below the national average with enough funds to enable them to provide national average levels of service without having to resort to excessive levels of taxation. There years ago when the present fiscal arrangements legislation was introduced in this chamber, it was estimated the program would be providing equalization payments beginning at $1 billion a year. The main estimates for 1975-76 provide for equalization payments of $1,985 million. In the space of three years, federal equalization payments to the provinces have doubled. The program is clearly one of the main pillars of our federal fiscal structure, but the rapid escalation of payments has been an important reason for the recent growth of total federal expenditures.

The revenue guarantee program was introduced at the time of tax reform with the enactment of the 1972 Fiscal Arrangements Act. The original purpose of this measure was to encourage provinces to bring their income tax legislation into conformity with the reformed federal law and thus to maintain the consistency of federal-provincial income tax structures across the country. In the years since tax reform, the government has voluntarily extended the program to cover tax changes resulting not only from the 1972 reforms of the tax system but also from subsequent changes in the federal tax law which tended to reduce the federal and provincial tax bases.

Under the program, if the equalized yield of the province's current personal and corporate income taxes, at tax rates equivalent to those prevailing prior to tax reform, yields less than the amount that the pre-tax reform system would have yielded if it had applied, the federal government will make up the difference. During the fiscal year 1974-75, payments of $475 million were made to the provinces under this program. The main estimates for 1975-76 provide for the payment of another $340 million. All ten provinces receive payments under this program.

● (1510)

Before turning to the specific amendments themselves, I should note that the fiscal arrangements program is a complicated one and the legislation is technically complex. The complexity results, in the case of equalization, from the extent to measure the relative fiscal capacities of the provinces with respect to all of the taxes provinces levy. In the case of the revenue guarantee, it results from the need to estimate tax yields of the pre-reform system. Of necessity, therefore, the amendments are highly technical.

The amendments dealing with the equalization program relate exclusively to the treatment of provincial revenues from oil and gas. They would do two things. First, they would carry out the proposal contained in the budget speech of November 18 last to equalize all oil and gas revenues that are not attributable to the international oil disturbance of 1973-74, plus one-third of the revenues that are attributable to this event. Second, they would provide for the reclassification of oil and gas revenues for the purpose of the equalization calculation. Both amendments would affect equalization for three fiscal years beginning with 1974-75 and ending with 1976-77 when the present fiscal arrangements expire.

The reason for the amendments respecting oil and gas revenues was explained at some length in the November 18 budget speech. The Minister of Finance (Mr. Turner) indicated they would protect the basic equalization formula from distortions which would otherwise be created by the very large windfall revenues of the oil and gas producing provinces. While there is still uncertainty as to what these windfall revenues will be, it is clear they will run into many billions of dollars during the course of the present fiscal arrangements.

The potential cost of equalizing these revenues in full could be so large as to be beyond the capacity of Canadian taxpayers to finance. The minister expressed the fear that this result could undermine public acceptance of the fiscal equalization program and erode the basic principles on which the program is based. This was an eventuality the government wanted to avoid. The budget proposal would achieve this objective while at the same time permitting large but orderly increases in the equalization payments resulting from oil and gas revenues. This can be seen in the estimates of the portion of equalization payments that relate to oil and gas revenues. Assuming that the provisions of this bill are adopted by parliament, we estimate the cost of equalizing provincial oil and gas revenues, which in 1973-74 was $257 million, would be $380 million in 1974-75 and $415 million in 1975-76. The estimates are based on the prices prevailing at the time they were made, and on the prevailing royalty structures.

The bill would achieve the budget objective by dealing with oil and gas revenues in the following way. Those revenues which are not attributable to the international oil disturbance would be equalized in full. They are referred to as "basic revenues" in the bill. Those revenues which are attributable to the international oil disturbance would be equalized to the extent of one-third. They are referred to as "additional revenues." In the bill, "basic revenues" for each oil and gas revenue source are defined as the actual revenues of the provinces from that source in the 1973-74 fiscal year subject to an upward adjustment for any increase in the volume of production between the calendar year 1973 and the year for which equalization is being determined. Provision is made for a floor which protects provinces against a decline in "basic revenues" in the event that the volume of oil or gas production falls subsequent to 1973. "Additional revenues" are defined in

the bill as being the difference between actual revenues and basic revenues.

The second group of changes in equalization consists of a reclassification of oil and gas revenues into fixed groups known as "revenue sources", instead of the four groups the act now provides for. The result of reclassifying oil and gas revenues, along with accompanying changes in the measures of fiscal capacity which are used in calculating equalization, is to produce equalization payments which more accurately reflect the relative fiscal positions of the provinces. The consequence of these changes is to increase the amount of equalization payable. As of 1974-75, the increase is estimated at approximately $30 million.

The proposed new revenue sources consist of Crown oil revenues—that is, revenues derived from lands for which the mineral rights are held by the Crown—freehold oil revenues, Crown gas revenues, freehold gas revenues, sale of Crown leases and reservations on oil and gas land and, finally, other oil and gas revenues. The main effect of this reclassification is to recognize freehold oil revenues and freehold gas revenues as separate categories, reflecting the new provincial practices of deriving revenue from these revenue sources. The purpose of reclassifying revenues in this way is to place them into relatively homogeneous groups, to each of which a measure of fiscal capacity can be fitted.

I now come to changes in part IV of the Fiscal Arrangements Act concerning the income tax revenue guarantee. This, too, is a technically complicated part of the legislation and I will have to go into some detail in order to explain the intended policy. Four changes are proposed in this program. The first change would clarify the situation respecting provincial revenue reductions resulting from the indexation of the personal income tax. Specifically, the legislation will make clear that the yield of the "actual" income tax system will not be calculated on the basis of personal exemptions and tax brackets being indexed.

The government's intent in this regard was made clear as long ago as May, 1973, at a federal-provincial meeting of finance ministers and treasurers. The Minister of Finance at that time indicated that the federal government viewed indexation as being a change which differed in substance from other tax changes made since 1972 which have been permitted to qualify for inclusion in the revenue guarantee. He emphasized that the only revenues which governments would forego as a result of indexation would be those arising from the effects of inflation on incomes. He stated that governments ought not to be in a position where they could finance additional expenditures out of inflation, and that it was inappropriate for the provinces to expect compensation for revenue reductions resulting from indexation. These remarks were made before the onset of the global inflation which has been experienced during the past year and one-half. They are even more relevant today.

Second, it is proposed that a new basis be used for calculating the revenue guarantee payment. The amount of such payment to a qualifying province for any given year is equal to the excess, if any, of the yield of the pre-reform income tax system, if it applied in that year, over the yield of the actual or post-reform income tax system in that year after making certain adjustments. As the act now reads, the actual yield from personal income taxes is determined on the basis of the provincial tax law, while corporation income taxes are based on the federal tax law. The bill proposes that all yields be determined with reference to the federal tax law.

This change is being proposed as a result of prospective divergences in federal and provincial income tax laws. Up to the present, differences between federal and provincial legislation have been very limited, particularly for provinces with tax collection agreements. Hon. members will recall that these are the agreements under which the federal government acts as the collector of provincial income taxes, provided the provincial tax law meets certain conditions respecting conformity with federal tax law.

At the December meeting of ministers of finance and provincial treasurers, the federal Minister of Finance announced that, while it was essential to preserve substantial uniformity between the federal and provincial tax systems, provinces with tax collection agreements could enjoy greater flexibility in modifying their systems and still have their taxes collected by the federal government. This offer was warmly received by the provinces. However, this greater flexibility will undoubtedly lead to various changes in provincial income tax laws during the remainder of the period to which the revenue guarantee applies which will move them out of line with the federal law.

● (1520)

A possible result of this offer is that a province which qualifies for a revenue guarantee payment could be in a position to initiate a tax change which would have the effect of reducing the yield of its "actual" tax system, as presently measured, and hence of producing a corresponding increase in the amount of revenue guarantee payments to which it is entitled. The revenue guarantee was not intended to provide compensation to a province for a revenue loss arising from its own initiative in changing the tax system. At the same time, provincial tax changes which increase provincial yields could, under existing legislation, result in a reduction in the guarantee payment to the province. The proposed amendment would forestall both such results.

A third change in the revenue guarantee meets a commitment the Minister of Finance gave to the provinces last December. It would define the "actual" yield of the corporation income tax in such a way as to exclude the amount of any provincial rebates to taxpayers of the additional provincial revenue derived as a consequence of the non-expensing of provincial levies on oil, gas and minerals. This change would prevent sharp reductions in the revenue guarantee payments to provinces which make such rebates—notably including Saskatchewan, Alberta and British Columbia.

Finally, a fourth change would prevent provinces from receiving a larger revenue guarantee as a consequence of not having adopted federal tax changes made since 1972. This amendment is being proposed to meet situations where the federal government changes its own tax structure in such a way as to reduce its revenues and a particular province chooses not to follow suit. Such a province

would not, in fact, lose any revenue and it would clearly be inappropriate to calculate the amount of its revenue guarantee payment as if it had. Accordingly, it is proposed that the yield of the "actual" system be adjusted in such a way as to prevent the making of a guarantee payment to a province for a revenue loss it did not sustain.

Mr. Speaker, that brings me to the end of my comments on this bill. The various policy issues in the bill have been taken up with the provinces and we have consulted with them fully on these changes. At the beginning of my remarks I noted that the purpose of the equalization program was to permit the less wealthy provinces in Canada to provide national average levels of service without having to resort to excessive levels of taxation. In this regard the program has been most successful. A look at the record will provide the necessary evidence of that fact.

Over the period of the present arrangements, equalization payments per capita, on a national basis, have increased by over 85 per cent, rising from $106 in 1972-73 to $197 in 1974-76. In Newfoundland, per capita payments rose from $215 in 1972-73 to $371 in 1974-75; in Prince Edward Island, from $224 to $410; in Nova Scotia, from $155 to $296; in New Brunswick, from $162 to $322; in Quebec, from $88 to $167; in Manitoba, from $68 to $122; and in Saskatchewan, from $112 to $127, notwithstanding the higher revenues that province now receives from oil and potash.

What contribution have these equalization payments made to the financing of provincial goods and services? In Newfoundland, equalization payments in the year 1974-75 represented over 58 per cent of all the revenues that province raised from its own tax sources; that is to say, for every $100 Newfoundland raised from its own sources, the federal government supplemented it by $58 in equalization payments. In Prince Edward Island the percentage was 57 per cent; in Nova Scotia it was 46 per cent; in New Brunswick it was 47 per cent; and in Quebec, Manitoba and Saskatchewan it was about 17 or 18 per cent. This is a substantial contribution to provincial treasuries. These very large transfers have permitted the less wealthy provinces to make per capita expenditures at a level that is almost as high as that in the wealthier provinces. The basic objective of this program is clearly being fulfilled.

Mr. Speaker, the amendments being proposed in this bill will continue and strengthen this important program. I commend it to all hon. members and urge its adoption.

Hon. Robert L. Stanfield (Leader of the Opposition): Would the parliamentary secretary accept a question? Could he indicate to the House whether any province—if so, how many, and which provinces—has objected to the bill, particularly to the formula relating to the application of equalization to oil revenues?

Mr. Cullen: The Leader of the Opposition (Mr. Stanfield) did not give me an opportunity to file my caveat. I was going to remind him of the lawyer who told his students never to tell their clients that they did not know the answer. When a law student asked him, "what if you don't know the answer?" the law professor said, "you get the client to go out and get more facts, while you look up the law". With that in mind, I will try to get the information for the Leader of the Opposition and give it to him later in the day.

Mr. Stanfield: I thank the parliamentary secretary for his presentation and for his assurance that he will get the information that I sought from him. I think perhaps he understated the value of the equalization payments. He said that for every $100 raised by Newfoundland—it is important, in the interests of confederation, that the word "Newfoundland" be pronounced correctly—from its own sources, they get another $58 in equalization, whereas I thought he said previously that 58 per cent of all the revenue of Newfoundland came from equalization. Can the parliamentary secretary also clarify that for us a little later?

I do not intend to oppose this bill proceeding to the committee, but there are a few comments I would like to make in connection with it. First of all, I was deeply touched by the lecture which, the parliamentary secretary said, the Minister of Finance (Mr. Turner) read to his provincial counterparts about what a terrible thing it was to live on the avails of inflation. I thought that was quite a lecture, coming from the Minister of Finance who not too long ago opposed the whole concept of indexation. It is interesting to see that in due course the minister not only reversed himself on that but is now lecturing the provinces about the sinfulness of their profiting from inflation in terms of having their revenues increased for that reason.

I rise this afternoon to direct a few comments to the parts of the bill that relate to equalization and, more particularly, to the equalization of oil revenues received by the provinces. As the parliamentary secretary explained, the approach to equalization of these revenues, under this bill, is to make a distinction between the revenues which the provinces receive on the basis of prices that were in effect before the so-called international oil disturbance—those revenues will be equalized just like any other revenues received by a province—and the revenues which provinces receive as a result of prices going up following the international oil disturbance, which would be equalized to the extent of one-third of such revenues.

As I rose, I was inclined to call that a phony distinction, but I think it would be more proper to call it an arbitrary decision. I understand, of course, why the government proposes to make such a distinction and why it finds it unacceptable to include in the equalization concept all the revenues that the provinces receive from petroleum. I understand that to do so would no doubt involve the government in very substantially increased expenditures under the heading of equalization. It would probably result in the imposition of additional taxation across the country for this purpose, which would mean that the people of Ontario, for example, would not only be paying higher oil prices but would be paying additional taxation in order to enable the federal government to meet its obligations under an equalization concept which involved the idea of the equalization of all petroleum revenues received from the provinces.

● (1530)

I presume it was for this reason that the Minister of Finance rejected the plea of the Premier of Nova Scotia,

for example, that all petroleum revenues should be included for purposes of equalization. Having said that I understand the reason for this and the reason for the federal government taking the position that it is not prepared to go further—that is, it is not prepared to commit itself to equalization payments on a bigger scale than this—I repeat that this distinction in the bill is arbitrary.

If one were to take the view that the increase in oil prices is the result of an international disturbance of short duration, then one might be justified in feeling that this is not really an arbitrary decision; to recognize these higher oil prices for purposes of equalization would involve a great deal of confusion, inconvenience and hardship. But there is no indication that they are not going to last; in fact, the more appropriate assumption is that higher petroleum prices are here to stay or are here for a long time at least.

So the bill does involve a significant departure from a pretty fundamental principle of the concept of equalization as it has developed through the years, that is, that all provincial revenues be included for purposes of equalization. Therefore, any premier who argues against this bill can properly argue that it does represent a departure from the principle which has been established. The only answer anyone would have on behalf of the federal government is that he would have to admit it is arbitrary; but he would have to say it is necessary to make this arbitrary decision.

I say it is arbitrary. I think the original method the Government of Canada had of getting out of this difficulty was also arbitrary, because the suggestion was made a year or so ago that if the oil and gas producing provinces put the revenue from petroleum, not into the revenue account but into some kind of capital fund, that would not count for equalization purposes. Surely that is not only an arbitrary position to take but one which would be very difficult to defend, because revenue is revenue for a province and a province which receives revenue does not change it into something else by putting it into a particular account. It may not choose for its own purposes to regard it as revenue but it is, in fact, revenue.

As it turned out, while this seemed to be the line along which the various governments were working a year or so ago to avoid the equalization difficulty this bill is intended to take care of, that did not work; but if it had proved to be workable, it too would be pretty difficult to justify in terms of the principle upon which equalization concepts have been developed through the years.

One thing I find very strange about the present position of the federal government is that for many years the premier of Alberta, Premier Manning, used to argue at federal-provincial conferences which I attended—and perhaps long before I attended them—that the revenues which the provinces received from the sale of oil lands and rights, for example, and the revenues the province of Alberta received in the form of royalties from oil and gas ought not to be regarded as revenue—not in total, at least—because they come from a depleting asset. What is striking to me is that in the days when Premier Manning of Alberta was putting forward that kind of argument, he received absolutely no sympathy from the federal government; yet when it became not only inconvenient but a very serious matter for the federal government to regard all revenue from petroleum as provincial revenue, the federal government did not hesitate for a moment to completely reverse its position.

I think it is worth making that point, Mr. Speaker. Just as the Minister of Finance completely reversed himself on the subject of tax indexing when it suited his purposes, this government has completely reversed itself over a period of years with regard to provincial revenue from petroleum being regarded in fact as revenue. It really makes one wonder how seriously one should ever take any argument put forward by a federal minister of finance or any other federal minister on these concepts, because there have been very striking instances in which the federal government has completely reversed itself and the results flowing from these changes in the position taken by the federal government are of great significance to the country.

I do not know just what confidence the Minister of Finance in Canada can have today that any provincial treasurer or any provincial minister of finance is really going to take seriously any conceptual argument put forward by the Government of Canada. I do not know how a minister of finance of Canada can expect a provincial treasurer to have anything but skepticism at best, and cynicism at worst, about any conceptual argument put forward on behalf of the Government of Canada, because there are instances—I have mentioned two; no doubt I could dredge up others—where the federal government has reversed itself and completely changed its position when it has become convenient and profitable to do so.

I think these points are worth mentioning. This perhaps relates to morality to some extent. Perhaps the people should be as worldly as successive ministers of finance seem to be when it comes to looking after the interests of their own government. Perhaps I should not be surprised by this tendency of the Government of Canada to reverse itself, in view of some of the conditions which seem to exist in Canada where practically everyone is under investigation for one kind of fraud or another. I am not suggesting that the Minister of Finance is engaged in any such conduct, but I urge upon the minister—who is not here—and upon members of the government that if they expect the Government of Canada to be taken seriously, if they expect the financial concepts put forward by the government to be taken seriously, they have to pull up their socks and stop reversing themselves every time it suits their convenience to do so and every time it suits the federal treasury to do so.

● (1540)

In view of the vast increase in the revenues of the petroleum producing provinces and the consequential vast increase in federal expenditures that would take place in equalization unless the law were changed, I wonder whether it would not be more honest, more conceptually defensible, to review the traditional attitude toward provincial revenue as far as petroleum revenue is concerned. Would it still not be better to go back and look at some of the questions raised by Premier Manning at some of the meetings to which I referred?

I realize that that principle would not just be confined to oil but might also apply to other non-renewable

resources. A year from now there may be a big increase in the price of a raw material which produces enormous revenue to a province, from a source other than petroleum. Is the Minister of Finance then going to introduce some other makeshift fiscal arrangement with that province in order to accommodate himself to the difficulty?

I am not going to oppose the bill, and perhaps there is not time now to do something like this, but I say in all seriousness that it might be far more honest, far more open and consistent with the principle of the equalization formula not to arbitrarily remove fractions of revenue for equalization purposes. It might be far more satisfactory to go back to the concepts developed by Premier Manning and to recognize that the revenue that comes from a non-renewable resource in a sense is quite different from provincial revenues derived from other sources: it is a wasting asset. This problem and others that might arise as a result of sharp increases in the price of raw materials and minerals might be avoided, without the necessity of makeshift legislation, by introducing a concept upon which the federal government and the provinces could agree as to what percentage of revenue from petroleum and what percentage from other minerals should really be considered revenue and what should be considered something to be put aside to cover a depleting asset for the provinces.

I do not want to take any more time, Mr. Speaker. I wanted to make the point that, while I do not oppose the bill going to committee and while I recognize the Minister of Finance has a problem that is a hardship not only for the treasury but for the people of Canada in the form of taxation, I suggest that the means he has chosen constitute a very sharp and sudden departure from the principles that the Government of Canada adhered to for years. It involves a departure from the principle of equalization as it has been developed. While something like this must be done, I suggest that a better way could be found, a way that would endure without the federal government and the Minister of Finance having to stand on their head every two or three years to meet some new development. The minister could avoid the necessity of having to reverse himself from time to time in the so-called national interest.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, members of the New Democratic Party in parliament have always supported a strong federal government; they have always taken the view that if the economic and social welfare of the people of all parts of Canada is to be improved, if there is to be any kind of equality among the various regions of the country, then the federal government must play a very important role. Through its economic policies and its tax policies, it must see that the people are treated equitably.

Over the years, federal-provincial tax-sharing agreements went a long way toward meeting these objectives. Until a year ago agreements were arrived at after a good deal of discussion and compromise on the part of both the federal and the provincial governments; they were not unilateral decisions made by the federal government and imposed on all the provincial governments. But here, Mr. Speaker, we have proposals which are being rammed down the throats of the people and the provinces. To the best of my information, every provincial government, Conservative, Liberal or NDP, has objected to the unilateral decisions made and being implemented in the minister's last budget and in this proposal.

We have been told by the Minister of Finance (Mr. Turner) that the federal government could not afford to make equalization payments to the provinces on the same basis as it had until the recent sharp increase in the price of oil and natural gas internationally and the proposals by the provinces of Saskatchewan, Alberta and British Columbia to sharply increase the taxes or royalties they obtained from the sale of oil and natural gas, particularly for export.

We reject that argument, Mr. Speaker. It is a unilateral decision and we think it is unfair. We reject it because we know that the whole taxation policy of this government continues to be very unfair, continues to be inequitable and continues to press too severely on individual taxpayers, particularly those in the lower and middle income brackets. It continues to give great concessions to corporations, particularly those involved in the development and sale of natural gas, oil and minerals which are almost completely owned and controlled by multinational corporations.

● (1550)

I shall spend some minutes demonstrating the truth of my statements and showing how government tax policies have been of benefit to those in middle and upper income brackets. I shall consider the effects of indexing, a measure proposed by the official opposition and adopted by the Minister of Finance. According to the government's own figures, the benefits of indexing rise as income increases. For example, according to federal calculations the tax saving since 1973 accruing to a married taxpayer with two dependent children under 16 years old is under $10 if the taxpayer earns $4,000, about $200 if he earns $8,000, close to $600 if he earns $20,000, and about $1,300 if he earns $50,000. Clearly, indexing is of greater benefit to those in middle and upper income brackets.

The government apparently wants to preserve and protect the interests of large business. Let me quote part of the cogent analysis which the then minister of finance for the province of Manitoba, Mr. Cherniack made at the federal-provincial meeting of December 9 and 10 last year. He said:

> The two-year fast write-off for manufacturers has been extended—despite the fact that there is no substantive evidence of its impact as a job-creating measure, and despite the fact that, even before the extension was announced, capital expenditures in manufacturing—which the measure is designed to stimulate—were expected to increase by 38.6 per cent.
>
> Manufacturing and processing industries continue to pay tax at only a 40 per cent corporate income tax rate—a rate lower than that applied to individuals with taxable incomes of $12,000.
>
> Mining and petroleum corporations have their tax rates increased to 50 per cent under the budget proposals, and then effectively cut to 35 per cent if provinces do not take up the additional federal abatements. Yet, these industries, according to the latest available data, pay corporation income tax on under 15 per cent of their book profits—that is, profits determined in accordance with sound accounting principles. Although these figures pre-date the 1972 tax measures, we have seen no evidence to suggest any major change has taken place since that time.

The government's tax policy has led to increased corporate profits. For example, corporate profits increased by over 21 per cent in 1972, by 35.7 per cent in 1973 and by 33 per cent in the first three quarters of 1974 over the same period the previous year. Having permitted the corporations to make those fantastic profits, the minister met with groups in industry, business and farming and asked labour to show restraint. When the corporations were making their greatly increasing profits, the minister remained silent, but now that workers are trying to recoup some of their losses brought about by inflation, now that workers are saying to the corporations, "We want a share of your increased profits," the minister is saying to the workers, "Unless you show restraint, this country will be in great trouble." Why did the Minister of Finance and the Prime Minister (Mr. Trudeau) not lecture the corporations when they were making their dramatically increasing profits? Why did they not ask them to restrain price increases which led to the increased profits I have described?

We know that we need a strong federal government with power to bring about a more equitable distribution of income as between individuals and regions of Canada? We do not think the federal government should be excluded from the resource tax field. On the other hand, we also think the provinces which derive substantial revenues from their resources should be entitled to go on receiving such returns. We are selling vast quantities of oil, natural gas and minerals at high prices, and we think that provincial governments and the people of the provinces have the right to the major part of the benefit of those sales.

This country is governed by a federal system of government. No one has been a more eloquent supporter of our federal system and constitution than our Prime Minister. After all, under the federal system and constitution, natural resources belong to the provinces. We do not think, therefore, that the federal government has the moral or legal right to arrogate unto itself unilaterally the greater part of the benefits derived from the sale of resources. In addition, we see no evidence of the federal government's willingness to promote more balanced economic and industrial expansion in the have-not areas such as the Atlantic region and the western provinces. An analysis of the geographic distribution of industries such as the petrochemical, aerospace, steel and other industries indicates a definite regional imbalance favouring the central provinces. Federal policies are leading to further regional imbalance in favour of Quebec and Ontario, provinces which already contain the bulk of our manufacturing industries.

Since the days of the western economic opportunities conference, during which the Prime Minister and the Minister of Transport (Mr. Marchand) made such glowing promises, we have seen little evidence of improvement in transportation. Inequitable transportation rates continue. The freight rate freeze has been lifted and the Crowsnest pass rates threatened. The Minister of Transport says one thing about the Crowsnest pass rates and the Minister of Justice (Mr. Lang), who has responsibility for the Wheat Board, says another. The programs of the Department of Industry, Trade and Commerce continue to be weighted heavily in favour of central Canada. We say that major changes in policy are needed in all these fields, but there is little evidence to show that the federal government intends to change its policies. The promises which members of the government made at the western economic opportunities conference when the government was in a minority position are being ignored: the government now does not need to worry about being defeated.

I have raised matters which concern us. We are concerned about government proposals being brought forward against the opposition of every province of Canada. I contrast the government's present proposal with something the President of the Privy Council (Mr. Sharp) said when he was minister of finance. In 1967, when speaking on the subject we are now discussing, he said:

> We should seek in the future to measure the whole revenue or fiscal capacity of the provinces—to develop a comprehensive "prosperity index" if you will—in place of the partial measure now in use. Instead of selecting certain taxes and equalizing them to the level of the top two provinces, we should take into account all of a province's revenues and equalize them to the national average. This would be a good deal more expensive to the federal treasury, but far more equitable.

● (1600)

That was a very sound statement of principle. It seems to have been forgotten by the present Minister of Finance, but it is just as sound today as it was then. That kind of policy would not only help the western provinces, but the maritime provinces which have suffered the slowest rate of growth of any region in Canada almost since confederation, and very markedly in the past 20 to 25 years.

We were told by the Minister of Finance that if all the oil and gas revenues received by producing provinces were to be included in the equalization formula, as would have been done up to the time of the last proposals and policies being adopted unilaterally, the extra cost to the federal government for equalization could approach $2 billion, if not more. The government of Manitoba and the governments of the other western provinces completely rejected that calculation.

In December, 1974, the Manitoba minister of finance called on the federal minister of finance to put on record the assumptions which underlay his estimate, because their calculations did not produce such dramatic results. Their estimates suggested that for 1974-75, at least, the extra cost to the federal government of equalizing all provincial oil royalties would be about $200 million more than Ottawa proposed to pay under its plan to include only one-third of additional oil revenues in equalization. Of course, that $200 million figure did not include any allowance for cushioning the negative impact on Saskatchewan's equalization; nor did it include allowance for the addition of extra natural gas revenues, but these latter amounts did not appear to be as large as the totals for oil.

To my knowledge—I tried to check this with officials of the government of Manitoba—the federal minister of finance never took up that proposal of the Manitoba minister of finance. Without putting it into words, in effect he said, "I have the power. I have the authority. I am going to impose this unilaterally. There is nothing the provinces can do about it." It is for that reason and others that we intend to vote against this proposal. It is nothing more than a unilateral decision.

I say to the parliamentary secretary, as we have said to the Minister of Finance, that in implementing these pro-

posals the government is overriding very simple, firm, plain commitments which the Prime Minister made to the provinces. Following the first ministers' conference in March, 1974, the Prime Minister made a statement in this chamber. He said on March 28, 1974:

An agreement reached yesterday which underlines the good will and national feeling that exist in all provinces and regions . . . which stands as a tribute to the vitality of our Canadian community. As I have said, yesterday was a great day for federalism . . .

The national oil agreement I have just described would surely not have been possible without the good will and deep commitment to Canada of the premiers of Alberta and Saskatchewan . . .

The House may wish to note that Saskatchewan intends to place most of its added oil revenues in a capital fund for energy development; Alberta proposes to handle a high proportion of its added revenues in the same manner . . .

While the revenues taken into those capital funds would not be subject to equalization, the federal government will, of course, pay equalization respecting any oil revenues that go into general funds.

There we have the Prime Minister saying that money which the provinces collected as a result of royalties or taxation on oil or natural gas because of the higher international price, which they put into a capital fund to be used for the development of energy resources, would not be deducted in calculating the equalization grants. It was a very fair statement. What happened when we got the budget? That statement of the Prime Minister was made at a time when there was a minority government. The Prime Minister had to think about the feelings, ideas and desires of the provincial governments as well as how he could face parliament. He made a very clear commitment, which was jettisoned six months later by the Minister of Finance and the government. There is no question that it was a commitment made by the federal government. In the last budget, and in the proposals before us today, that is completely ignored. We are now told that everything over one-third more which the provinces collect will be deducted in calculating the equalization payments.

If Ottawa feels that the people of Canada can benefit from the sharp increase in the international price of oil and natural gas, I agree with it. However, why does Ottawa not now increase the corporation taxes paid by the resource industries, the oil, gas and mineral industries? Instead, Ottawa does the exact reverse: it continues to expand the very favoured tax position of the resource industries in this country. Foreign capital came here in relatively small amounts. Because of our very generous tax laws for depreciation, fast write-offs and all the rest, the money made in this country by the multi-national corporations was plowed back into it. Almost 100 per cent of that money was paid for by the Canadian people either by the price they paid for oil, gas and minerals or by the tax concessions to the corporations.

These tax proposals are something else. Not only will provinces not get equalization payments on two-thirds of the money they get through increased royalties or increased taxes from the oil and gas companies, but taxes paid by these companies to the provinces by way of royalties will no longer be deductible for income tax purposes. How discriminatory can the federal government get? How much more can the federal government do for these corporations? If, for example, the CPR or the Hudson's Bay Company receive royalties from Imperial Oil, Shell or other oil and gas companies which have drilled on their property, these are deductible for income tax purposes. Why should royalties paid by Imperial Oil, Shell, Gulf or any other oil company that has drilled on land owned by the government of Manitoba, or the government of Saskatchewan, or the government of Alberta, or the government of British Columbia—or for that matter, if oil is found, as I hope it will be, in the eastern maritime provinces—not be deductible for income tax purposes? What justification can there be for this discrimination?

● (1610)

As I said a few moments ago, if Ottawa feels that the oil and gas companies are not paying their share, which we have claimed for years, why not tax them as any other corporation is taxed? But no, the government did not enter this field and would not enter it until the provinces did so. I simply cannot understand how this can be justified under any circumstances, unless the very simple explanation is that the government has always been the friend and defender of the large, multinational corporations, particularly the oil, gas and mining companies which have drained the lifeblood of this country, made exorbitant profits and which, thanks to the federal government, will continue to make exorbitant profits. We certainly intend to oppose this bill, and any bill like it, as hard as we can.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to make a few comments on Bill C-57, which is now on second reading.

As the parliamentary secretary has so well said in his speech, it is a very technical bill and, in my opinion it is not within a few minutes that a member of Parliament can succeed in getting to the bottom of things. A general idea can certainly be had, but in my opinion, it would be wise that the bill be referred to the committee and studied very carefully; as a result, the Minister of Finance (Mr. Turner) could assure us of his intentions and of the federal government's intentions for the few years to come.

It is more than obvious that the government's duty is to ensure that the different areas in the country benefit from Canadian natural resources as a whole. Obviously one of the means to reach that goal is to ensure that each and every provincial government and, through them, each and every municipal government, obtain revenues enabling them to guarantee people in their areas services similar to those granted to less favoured area. But by what means? Since the beginning of Confederation, Mr. Speaker, the federal government and the provinces have never got along with regard to the sharing of revenues from natural and other resources. If one studies Canadian history, all successive governments in Ottawa have moved towards greater and greater centralization, which has always proven detrimental to the provinces. Such centralization became more obvious during the war years. During the World War I the federal government asked the provinces to grant it greater sources of income, alleging that wars were costly, and that universal freedom was at stake. "Well, once the revenues shall have been sacrificed and the war over, we shall attempt to return to the situation prevailing before the war."

Between World War I and World War II, about twenty years have gone by. During all that period, nothing but

haggling prevailed to recuperate the sources of revenue that had been granted to the federal government for World War I.

And then we start all over again. There is the war of 1939-45. Again the federal government says to provincial governments, yield us some revenue sources. We need them badly to make our war effort. And since the province of Quebec is different from the others because of its French nature—the only province in Confederation to be French-speaking—necessarily it had to fight harder to keep and get back its revenue sources to be able to provide Quebec taxpayers with services and culture in line with the French culture, its traditions, its habits and customs which are necessary and an enrichment in a confederative country like Canada.

Just remember after the war of 1939-45 the great political battles of two outstanding statesmen, the Right Hon. Louis St. Laurent who was at that time Prime Minister of Canada and the Hon. Maurice Duplessis, premier of the province of Quebec. Quebec was passing legislation to recover the revenue sources yielded because of the war and Ottawa was opposing that on the pretence that it had an absolute need of all those revenues to administer Canada, and while this was going back and forth increased centralization was taking place; there was even encroachment upon the powers of the provinces and centralization was taking place year in and year out. Today, I think that if we want to ensure the survival of Confederation we will simply have to give the provinces more autonomy and respect their rights so they will be strong within Canada as a whole—not strong in one area and weak in another, but strong within Canada as a whole.

I think that is the best method to ensure the survival of Confederation so all Canada can benefit from those advantages, the natural resources that Providence was good enough to award us. And to do that concessions will have to be made. The provinces, admittedly, have very heavy responsibilities. They also have responsibilities vis-à-vis the municipalities, and people are expecting ever more services. That is absolutely normal and as far as possible the leaders must meet the quite legitimate and reasonable demands of the population, but to be able to meet them adequately it takes revenues to pay for expenditures.

Well, that is the ongoing problem. Ottawa needs money. The provinces need money, and so do the municipalities. The municipalities are lacking the revenues to meet their obligations. If we look at the financial reports of our municipalities, we see that most of them are so much in debt that more than 60 per cent of their revenues go to servicing that debt. They run into debt, they get ratepayers into debt today for 50 years to come. They get ratepayers not even born into debt. That is serious, because it is to pay services for today. Fifty years from now, these people will still need services. I think that is not a good financing method.

The Federation of Mayors of Canada is formed, I think, of intelligent people. They meet every year. What do they talk about during these meetings? I attended some of them; nothing has changed, it is still the same today. They talk of revenues, of demanding a better distribution of tax revenues from the governments to municipalities so that they can meet their obligations. That is what we are talking about today. Resolutions are passed, asking Ottawa to yield revenue to the provinces, and the provinces in turn will have to do the same. Everybody is fighting, all administrators are fighting for a better income, and we appear to persist in keeping the same financing methods of 50 or 100 years ago.

[Mr. Lambert (Bellechasse).]

● (1620)

There has been no evolution, no change in the public sector. We keep on thinking in terms of sources of revenue, taxes on individuals and corporations in such a way that individuals are over burdened. Corporations are unable, to a reasonable extent, to develop natural resources to the benefit of all people simply because of that financing method of the public sector.

According to me—and I think of it very seriously—it would be time for the Canadian Parliament to make a decision, being the supreme authority. We know that provinces may not legislate in the monetary area: they cannot deal with it because they are not allowed by the Constitution.

To my mind, we could manage by granting the municipalities, the provinces, higher tax income. The federal government, which has the power to legislate in the field of finance, could find another source of revenue by using modern means, means that would correspond to our economic development, modern techniques, swift production, accelerated financing, by resorting to that financial institution of its very own, the Bank of Canada, by adopting amendments that would allow that institution to provide and loan it the sums of money required to finance part of the administration of the country. Not useless loans, but loans based on common sense, on reality, on the gross national product of our Canada,—although it may be declining now, but I trust that is only temporary—so that we can get back to normal and put to better use all our human resources, and increase the gross national product. That would enable the federal government to find sources of credit, loans from the Bank of Canada at a reasonable rate, comparable to administrative costs.

What is it that overburdens the municipalities, the provincial governments, the federal government in the field of finance? Rates of interest that are too high. That is absolutely senseless. Order must be put in that field, and the federal government has the authority to act.

I hope that when Bill C-57 goes to committee, we will have a chance to go into things in depth and very objectively in order to improve the situation in favour of the provinces and the municipalities, and thereby put an end to centralization.

This is provided the Canadian confederation remains strong and that throughout the country the people are satisfied. Thus the people could benefit from the same services throughout Canada because in short, we are all living on Canadian territory and the entire resources must be distributed for the benefit of all Canadian areas and people.

When the bill will be considered in committee, I hope the Minister of Finance (Mr. Turner) will take note of the proposals and suggestions made to improve it and make it meet the requirements of the provinces, to respect further

the provincial autonomy and pave the way for revamping the revenue sharing field and also to introduce changes in the financing of the public sector by accepting a reform of our monetary system which would considerably relieve the burden of interest.

[*English*]

The Acting Speaker (Mr. Penner): Order, please. Before recognizing the parliamentary secretary, I would remind hon. members that he will close the debate when he speaks. Is that agreed?

Some hon. Members: Agreed.

Mr. Cullen: Thank you, Mr. Speaker, and I thank hon. members for their interventions in this debate: I am sure some of them at least will be helpful to the minister when he appears before the committee which will study the bill clause by clause.

Once again the hon. member for Bellechasse (Mr. Lambert) has indicated, not only here but in so many other areas, the main responsibility of the federal government for the fiscal management of the economy of the country. Although he and I disagree on the method or the way in which that might be done, he has indicated as a federalist on many occasions, for which I think he can be singularly proud, that we do have a main responsibility here to see that we keep our economy on the track, as it were. I know the suggestions made by the hon. member are valid because we have heard them in other speeches, particularly at budget time.

● (1630)

The hon. member for Winnipeg North (Mr. Orlikow), I think strayed somewhat from second reading or from the principle of this bill, and we got once again into the question of taxation of natural resources and the stance taken by the respective provincial governments and federal government at budget time. I say, with respect, that it is probably a debate that will go on for some time in an effort to determine which is the chicken and which is the egg in the royalty taxation field.

The hon. member sees fit to place the blame on the federal government. The position of the federal government, in effect, was a reaction to a rather exorbitant increase in rates. In that case, had it not reacted to the situation we would have had an inconsistency. I think that if the hon. member studies the recent speeches of the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Turner) he will see that the anomalies and the inequities that were built in were such that if someone proposed to drill in the province of Saskatchewan, he would have found himself paying something like 17 times more in the way of taxes than he probably would have paid had the well been drilled in the province of Alberta. With a view to bringing some kind of sanity to the situation, the government was forced to react as it did.

I am happy to see that in the November budget there was a backing off from the position taken in the May budget and that the province of Alberta reacted in kind. It was particularly gratifying to the government to read the recent statements by Mr. Don Getty in his new portfolio, that many of the differences occurred in about 10 per cent of the area and that there is a tremendous amount of co-operation in 90 per cent of it. Perhaps we can work out the difficulties. There was no indication of a stance by the federal government that it would say anything other than that the natural resources are owned by the provinces, but here we are talking about a taxation field in which the federal government has some responsibility, as the hon. member for Bellechasse has indicated, to the national economy.

The Leader of the Opposition (Mr. Stanfield) raised two questions, one in respect of the 58 per cent figure which I mentioned in my opening remarks. I would indicate that the equalization payments to Newfoundland in 1974-75 represented over 58 per cent of the total revenues that Newfoundland raised from its own sources. In other words, equalization is not equal to 58 per cent of Newfoundland's total revenue from all sources; the percentage expressed in this way would be lower.

Second, the Leader of the Opposition wanted to know specifically what provinces opposed the provisions of the bill. My information is that there has been very little in the way of opposition in writing from the provinces in respect of the equalization provisions of the bill. I suppose a review of the correspondence would be necessary in order to read the recommendations, or objections, for that matter, that may have been made. The minister did discuss the provisions of the bill with his provincial colleagues at an in-camera meeting. With great respect, I think it would be inappropriate to go into the exchanges which took place at that time. Certainly, there was no hint that the provinces were not consulted; but in the final analysis the government must make a determination.

The Leader of the Opposition made much of the fact that the Minister of Finance and the government had seemed to reverse or change their stance. I say that in all probability that is true because it is necessary to meet new conditions. If conditions remained basically the same, there would be no necessity for any change. Equalization was never intended to cover the tax revenue explosion which occurred because of the international oil disturbance. What the federal government and the Minister of Finance were endeavouring to do was to protect the equalization program so that it would not lose the confidence of the Canadian public through the necessity of having to tax far beyond what I think the taxpayers would be prepared to pay. When this disturbance came, it was necessary to find some way around it so that the equalization program—which I think everyone agrees is necessary in order to equalize to some extent the differences in our country—could be effective; otherwise the program, in effect, would have been destroyed. The Minister of Finance indicated on more than one occasion, but particularly at the meeting of ministers of finance on December 9 and 10, the following:

> I would also like to say that I am conscious of the need to begin looking at the equalization arrangements for the 1977-82 period. As you know, the present program expires on March 31, 1977. There is no doubt in my mind that this program must be renewed. It is customary for the federal government and the provinces to sit down together and examine the program in order to consider any improvements which may be needed. A review will be particularly useful prior to 1977 in view of the recent, and totally unanticipated, disruption brought about by the international oil disturbance.

Here again, if the program and the formula are found to be unacceptable by the provinces, they will have occasions on which to put forward their views. This is not a permanent program; it is to be enforced only over the next two years.

I think the other questions probably would be more properly dealt with at the committee stage. The hon. member for Winnipeg North referred to the $2 billion figure. That did not relate to the 1974-75 or the 1975-76 period but, rather, to a year later when oil and gas revenues might rise to a substantially higher level than now exists. The hon. member will have an opportunity to direct questions to the minister on that specific part of the bill. With that, I would like to thank hon. members for their interventions and hope the bill will now receive second reading.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

* * *

TERRITORIAL LANDS ACT

CORPORATIONS IN WHICH GOVERNMENT EMPLOYEES PROHIBITED FROM ACQUIRING INTEREST

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development) moved that Bill S-20, to amend the Territorial Lands Act, as reported (without amendment) from the Standing Committee on Indian Affairs and Northern Development, be concurred in.

Motion agreed to.

Mr. Buchanan moved that the bill be read the third time and do pass.

He said: Mr. Speaker, the purpose of this bill is to remove the excessive and arbitrary penalty contained in section 24(2) relating to contravention of the terms of section 24(1) of the Territorial Lands Act. It is intended to provide for a blanket order in council which would enable an employee of the Government of Canada to become a shareholder in a corporation owning or having a direct or indirect interest in territorial lands. The order in council would spell out the type of shares which could be held and would be retrospective to cover those already owning such shares.

● (1640)

The hon. member for Northwest Territories (Mr. Firth) expressed some concern in committee when this bill was being discussed in so far as the conflict of interest aspect was concerned. The order would further state that an employee of the Government of Canada would not be authorized to hold such interests as a shareholder where that interest would enable the derivation of any direct or indirect interest from government contracts over which he could influence decisions, or would create a conflict with his public duties.

It should be noted that an individual order in council would still be required to authorize the purchase or acquisition of territorial lands for, as an example, recreational or other personal use. The order would apply to shares

acquired by an officer or an employee of the Government of Canada either before or after the making of the order. The amendment in the bill does not contravene the provision of the Treasury Board conflict of interest guidelines. Should an employee of the Government of Canada be clearly aware of a real or potential conflict of interest, he would be expected to declare it.

There is one other point that was made during the debate in the committee. The hon. member for the Yukon (Mr. Nielsen) expressed some concern about the use of the singular rather than the plural, and he was concerned that this would have the effect of still requiring individual orders in council rather than a blanket order in council. We pursued this concern with the Department of Justice and were informed that one should not read any significance into the use of the singular rather than the plural in a legislative sentence, unless the context would clearly provide or require the singular use only. The singular includes the plural, and vice versa in this case. In the present case, the difficulty does not revolve around this factor. The difficulty in enacting a general order under subsection 24 (1) as it now reads is that there are no guidelines given on the power to prescribe the interest in a corporation or the interest in a class or classes of corporations that may be authorized by the order, so that it is impractical to make a general order under subsection 24 (1) as it now stands.

The proposed new subsection 24 (2) contained in Bill S-20 would remove this difficulty and permit a general authority to be issued, which is the objective.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I should like to make a few observations regarding Bill S-20 which in my opinion is being passed a little too quickly through the House and was passed through the committee a little too quickly. I was sorry that witnesses were not called from the Northwest Territories or the Yukon to make their views on this bill known. When the bill was introduced in the House on April 11, I mentioned the fact that I thought it was quite important to the north and that I would like to see witnesses from the Northwest Territories brought before the committee because a number of important things are happening in the north at this time. First, there is the possibility of granting the right-of-way for the proposed pipeline, there is the question of unsettled land claims of the native peoples, the expansion of communities there, and so on.

I find myself unable at this time to vote in support of this bill and I urge other hon. members not to vote for its passage. It contains certain provisions which I find not very satisfactory. It raises in my mind a question as to whether the bill applies to commissioner's land. In the Northwest Territories we have town or hamlet council land, municipality land, commissioner's land around the municipalities, and then Crown lands. I believe this bill would leave it open to federal civil servants to purchase commissioner's land. Should they be in a situation where they would have prior knowledge of the expansion of a municipality, they would know what land could become valuable in the future, thus making speculation and conflict of interest possible.

Another serious question that I have with regard to this bill is, who will police its regulations? The intent of the

bill is good. However, if the department itself is to ensure that the provisions of the bill are put into effect, why bother passing it? Another question in my mind relates to clause 24 which makes this bill retroactive. Is this provision there to let someone off the hook who has acquired some land in the north?

These are some of the important questions which this bill raises in my mind. I am sorry that no witnesses from the north were called before the committee to make known their comments on this bill, and I am sorry that duty called me elsewhere when the bill was before the committee and I was unable to raise these questions at that time. For these reasons I find myself unable to vote for the bill as it is at present.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to and bill read the third time and passed.

* * *

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House proceeded to the consideration of Bill C-50, to amend the Agricultural Stabilization Act, as reported (with amendments) from the Standing Committee on Agriculture.

The Acting Speaker (Mr. Penner): Order, please. The chair has had an opportunity to look at the four motions which are introduced as amendments at the report stage of Bill C-50. Having looked at these amendments, I find there appears to be some procedural difficulty with regard to them as related to the royal recommendation.

The first motion, which is in the name of the hon. member for Crowfoot (Mr. Horner), seeks to amend the bill in clause 1 by deleting line 11 at page 1 and substituting a new commodity, namely, wool. The second motion also seeks to alter in a significant way the royal prerogative by establishing a new base price; and with respect to motion No. 3 the period of five years is altered to two years.

On each of these motions, before making a final ruling the Chair is quite prepared to hear arguments from hon. members on the procedural acceptability of the amendments. We might begin by considering the first one, motion No. 1 in the name of the hon. member for Crowfoot.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in speaking to the motion proposed—

The Acting Speaker (Mr. Penner): Order, please. I regret to interrupt the hon. member, but I would remind him that the Chair is inviting comments from hon. members, not on the substance of motions 1, 2 or 3 but only on their procedural acceptability. If hon. members have contributions to make in that regard, the Chair is prepared to hear their arguments now.

Mr. Towers: May I ask you a question, Mr. Speaker? Do you propose that we deal with all the motions at this time, or are we to deal with them separately? Should we try to establish the basis of each amendment as it is presented, or are you prepared to accept our dealing with them all now?

● (1650)

The Acting Speaker (Mr. Penner): I would simply remind the House that with respect to motion No. 4 there seems to be no difficulty; it appears to be in order. However, with regard to motions Nos. 1 to 3, in the mind of the Chair there are some reservations as to procedural acceptability and I was asking, only with respect to motion No. 1, if hon. members wished to present argument as to whether it is procedurally acceptable.

Mr. Towers: In speaking to the procedural problem, I consider it is an omission on the minister's part in not having included that commodity originally in the bill. Personally, I am disappointed, as I am sure the hon. member for Crowfoot (Mr. Horner) is, that the minister did not see fit to include that commodity in the bill originally, and also that he did not bring in a bill or an amendment himself which would have covered it. It would seem to me that it is very important, in dealing with this stabilization bill, that that farm product be included along with other farm products and it would be discriminatory if we could not proceed on that basis at this time. I would hope, Your Honour, that you would allow this amendment to be debated at this time.

The Acting Speaker (Mr. Penner): In order to facilitate the business of the House, perhaps hon. members would agree that for the purposes of debate we could proceed at this time to motion No. 4, which has no procedural obstacles in the way. We could return later this evening to the other motions, at which time hon. members would have had an opportunity to consider them more carefully and they may wish at that time to present procedural argument. If it is agreed, we can proceed now to motion No. 4. Is it agreed?

Mr. McKinley: On a point of order, Mr. Speaker, I think your suggestion is agreeable but I would ask unanimous consent of the House to allow the hon. member for Red Deer (Mr. Towers) to move motion No. 4 on behalf of the hon. member for Crowfoot (Mr. Horner). Further to that, I wonder if the Minister of Agriculture (Mr. Whelan) has anything to say with regard to motion No. 1—it appears simply to add another commodity, namely, wool and it appears it was an oversight by the minister or the department—or if the minister would be prepared, if Your Honour suggests it is necessary, to obtain the necessary royal prerogative from the Governor General to look after that amendment.

The Acting Speaker (Mr. Penner): Is it agreed that we proceed to motion No. 4?

Some hon. Members: Agreed.

Mr. Towers (for Mr. Horner) moved motion No. 4:

That Bill C-50, an act to amend the Agricultural Stabilization Act, be amended by deleting subclause 5 (2) being lines 10 to 18 at page 4.

Adjournment Motion

He said: Mr. Speaker, in speaking to this motion it is a matter of deleting, in clause 5(2), lines 10 to 18. The deletion is simply this:

The said Act is further amended by adding thereto, immediately after subsection 10(1) thereof, the following subsection:

"(1.1) For the purpose of stabilizing the price of an agricultural commodity, the Board may exercise such other powers as are prescribed by the Governor in Council, upon the recommendation of the Board, for that purpose."

In dealing with this motion, one of the main problems is that nowhere in the bill is there an explanation of what is constituted by the word "Board" that is in line 3 of (1.1). Certainly we would want an explanation of that to really understand what the minister is trying to get at with this stabilization bill. It would seem to me that we have to be very careful in the legislation we are passing, because of the fact that we have seen in time past the political manoeuvring which does take place, primarily before elections.

Going back a certain period of time to the last time there was a hog stabilization payment made, there was a stabilization payment made to the farmer and at the time it only required a dollar and some cents, I believe, for each hog affected by the legislation, but because of the fact it was just prior to an election—at least we have to assume this—the then minister of agriculture decided that it would be advisable to pay $5 per hog on 200 hogs, which meant that those people producing the maximum number of hogs could receive up to $1,000. I am sure that the Minister of Agriculture (Mr. Whelan) wants to establish a sound basis upon which these payments will be made and it will not just be at the whim of the minister of agriculture of the day or the governor in council.

We have to take a serious look at the legislation as it is being debated in this House to ensure that it will stabilize the agricultural industry in Canada. We have to realize that we are in competition with our neighbour to the south, and the fact that it is using its agricultural production to a large degree to counteract its deficiency in energy production will create a difficult period in our agriculture industry in the months and years which lie ahead.

Certainly we do not want the agricultural industry to have to rely on an election in order for it to obtain the proper income for its products. In view of that, we have to have the legislation tied down to a form which will not only be acceptable to the industry but also satisfactory to the consumer and ensure that there will be an adequate supply of whatever product we are dealing with.

Mr. Speaker, may I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Penner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—Immigration—Need for farm workers in Nova Scotia—Government action; the hon. member for Simcoe North (Mr. Rynard)—Health—Medicare—Alleged setting of time limits for medical examinations—Government position; the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Labour Conditions—Possibility of meeting Mr. Fitzsimmons, president of Teamsters Union—Government position.

[Mr. Towers.]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Reid: Mr. Speaker, I think there would be agreement to take order No. 36 standing in the name of the hon. member for Nickel Belt (Mr. Rodriguez), and the government would request that all other items stand.

● (1700)

The Acting Speaker (Mr. Penner): Order, please. Items Nos. 8, 34, 4, 10, 24 and 33 are requested to be stood by the government. Is it agreed?

Mr. Baker (Grenville-Carleton): Do they retain their order?

Mr. Reid: Yes.

Some hon. Members: Agreed.

* * *

UNEMPLOYMENT INSURANCE ACT

PROVISION TO INCLUDE PERIOD ONE RECEIVES WORKMEN'S COMPENSATION AS PART OF QUALIFYING PERIOD FOR BENEFITS

Mr. John Rodriguez (Nickel Belt) moved that Bill C-236 to amend the Unemployment Insurance Act be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, when the present Unemployment Insurance Act was proclaimed on June 23, 1971, it included several aspects which were commendable. It included, for example, a maternity benefit clause, a sickness benefit clause and a clause covering the period of qualification for contributions before one could collect unemployment insurance of at least eight weeks in the previous 52-week period.

The new act also eliminated some things that were commendable and some that were beneficial and useful to the working people of this country. That is what my bill, C-236, is trying to amend. One of the things the new act eliminated was provision for workers who were injured or became sick on the job and as a result received workmen's

compensation while they were off work. For example, a worker may be off for 52 weeks during which time he collects partial workmen's compensation benefits. At the end of the 52 weeks he is deemed ready to go back to work, but his former employer tells him that he could not keep the job open and had to hire someone in his place.

This worker may have contributed to the unemployment insurance fund for many years. He meets all the conditions of the Unemployment Insurance Act. He is willing and able to take a job, so he goes to the unemployment insurance office and files for benefits. His records show that he has not worked in the last 52 weeks, however, so he has not the required eight weeks of contributions to the fund. My amendment would extend the qualifying period to include the time that the worker was off due to sickness or was in receipt of compensation benefits. For example, if he was off for 52 weeks, then the unemployment insurance office would go back over the past year and 52 weeks to get eight weeks of contribution so he would be eligible for unemployment insurance benefits until he could get back into the work force.

It is a very simple amendment and it is just. It deals with a condition that was recognized in the original Unemployment Insurance Act before it was amended in 1971. The reasons for having it in the act prior to 1971 are still relevant.

I know that private members' bills have as much chance of passing in this House as a snowball has in the nether world. I know there is the practice of talking out these amendments, but I appeal to all members of the House to let this one pass. It may not be used in urban ridings where most occupations are less hazardous than those in my own area, where mining predominates. Insurance companies recognize that miners have the most hazardous jobs in the country and demand a higher premium from them than from other citizens. The chance of workers in my area being affected by the act as it stands is much higher than, say, workers in the riding of my hon. friend from St. Catharines (Mr. Parent). I know that even though he is on the government side of the House, he will recognize the great need for this kind of amendment which would benefit workers in highly industrialized areas whose jobs entail a great degree of danger.

This is the kind of amendment that is supported by the trade union movement, Madam Speaker, which has consistently suggested it to the Minister of Manpower and Immigration (Mr. Andras) who is responsible for the Unemployment Insurance Act. Other amendments could be brought in, but this one is very important to the worker. I checked with the trade unions in my area to find the extent to which this particular amendment would be used, and found that compared to other sections of the act such as the maternity section, it would be used very often. It is very important in industrialized areas where workers have hazardous occupations.

Someone who has worked for 20 or 25 years and finds that he does not qualify for unemployment insurance benefits is in a very difficult position. He can go to the welfare office and ask to be put on the welfare rolls, in effect going through a very dehumanizing process in order to keep himself and his family going until he can find a job. Surely this is no way to treat people who made their contributions to the fund when they were healthy and working. This amendment would maintain the dignity of the worker who finds himself in such a situation.

I therefore hope that other hon. members who speak on this amendment do not resort to the usual device of talking the bill out, but that they let it go to a vote. It is very important to the workers of this country that this bill is passed and that the act be amended in this fashion.

Mr. George Baker (Gander-Twillingate): Madam Speaker, it is not my intention to talk out this bill, but it seems to me so important that it will require 15 or 20 minutes of my time. I have done some research into the proposed amendment and have some ideas regarding its effect on the Unemployment Insurance Act. I should like, also, to deal with what is wrong with other sections of the act which pertain generally to the situation to which the hon. member referred.

● (1710)

In 1971 there were fundamental changes to the Unemployment Insurance Act which among other things reduced the minimum insurable weeks required for eligibility to eight in the previous 52. This feature, in conjunction with the payment of sickness benefits, significantly reduced the need to provide for extensions to the qualifying period. The significance of the reduction to the requirement for eight weeks of insurable employment was that claimants would be paid benefits on a combination of recent labour force attachment and the difficulty in finding employment at the particular time he or she was unemployed. This is in contrast to the previous act which was based almost solely on the number of insurable weeks worked in the qualifying period.

I understand that experience with the new act since 1971 indicates that extensions to the qualifying period could be useful to the following categories of claimants: extended sickness, workmen's compensation, imprisonment, labour disputes, courses of occupational-vocational instruction. Studies on the potential advantage to extend benefit periods in these circumstances are under way in the Unemployment Insurance Commission but are not yet complete. Completion is dependent upon other in-depth studies being carried out that might bear either directly or indirectly on the suitability of reintroducing the extension of the qualifying period concept. Therefore, to proceed independently with proposals for amended legislation in this regard would be premature.

Let us consider benefit period extension. A significant consideration that must be taken into account in dealing with this general subject is the parallel requirement to also study the need for extensions to existing benefit periods for similar categories of claimants. For example, an individual who initiates a claim for benefit and is then incarcerated for an extended period of time should be treated with the same advantages as the individual who was incarcerated before he had established a claim for benefit. This effect compounds the degree of study that must be entered into before extensions to the qualifying period can be agreed upon.

Let me now say a word concerning workmen's compensation. At this time, working level discussions are being

undertaken with provincial workmen's compensation boards in order to determine the extent to which unemployment insurance should be co-ordinated with payments from these agencies. These interrelationships not only deal with eligibility for benefit but also with dissemination of information to potential claimants vis-à-vis their rights to unemployment insurance. Except for permanent settlements, any moneys received from workmen's compensation boards are considered to be earnings and therefore deductible from unemployment insurance benefits. At the same time, since these earnings are not from employment they do not constitute insurance earnings for unemployment insurance purposes. However, an individual would have to have a period of incapacity while in receipt of workmen's compensation benefits for a period in excess of 42 weeks before his eligibility for unemployment insurance had expired.

My first point on the motion, Madam Speaker, is that provincial governments are already involved in workmen's compensation. The hon. member for Nickel Belt (Mr. Rodriguez) raised an interesting point which strikes at the very heart of unemployment insurance. The question as I see it, having read his motion, is whether unemployment insurance benefits should be taken out of the realm of insurance and considered as being in the realm of or form of guaranteed income.

In my short time as a member for this House I have seen the shortcomings of unemployment insurance. I have seen the self-defeating aspects of unemployment insurance and I have also seen the real worth of unemployment insurance. Let me state emphatically that the federal government, rightly or wrongly, appears to me to be shouldering all the blame for what sometimes should be a provincial responsibility. For instance, I do not think the federal government should be held solely responsible for the housing crisis in this country. Neither should it be held solely responsible for the unemployment figures in this country. I am amazed to observe that in provinces of high unemployment, politicians blame the federal government, but in provinces of low unemployment politicians give credit to the provincial government.

This obvious lack of consistency is never attacked by the Prime Minister (Mr. Trudeau) or the cabinet. They appear to accept the total responsibility for all wrong and accept no credit for what is right. That is an admirable trait, but its one shortcoming is that inevitably provincial elections are fought in the provincial arena and the federal government is the main issue. The same holds true of this motion.

Provincial governments have a clear mandate to augment federal policy. They have the right to introduce budgets and thus hold in their hands the key to success in such areas as workmen's compensation. Every year provinces, in bringing down provincial budgets, must decide on their social welfare policies. For instance, how much should someone on welfare get? How high should be the minimum wage? What provisions should be included in the provincial workmen's compensation act? How much money should be allocated to blind people's allowances? How much can the province spend on day-care centres? To what extent can the province make use of the federal government's 50-50 formula under the Canada Assistance Plan?

[Mr. Baker (Gander-Twillingate).]

Unemployment insurance is a blessing in some cases but a curse in others. The question which must always be asked is, "How far should we go?" It should not be, "How far can we go before we exhaust the public treasury or overtax the working man." There are areas in which the unemployment insurance scheme needs changing. If the hon. gentleman for Nickel Belt were suggesting that we should amend the act so that overpayments which are the fault of the interviewing process or of the computer are not charged to the recipient, I would wholeheartedly support it.

How you can ask a seasonally employed man to repay a $1,000 overpayment for which he was not responsible, I do not know. But that is the law, Madam Speaker. That is what the act we are discussing says must be done. How anyone can expect a person living in a rural area to commute 200 miles to work, to a job that pays the minimum wage, I do not know. The hon. member noted this point in his argument. Yet under the act, if a worker refuses work in the closest industrial centre, which could be hundreds of miles away, benefits are cut off immediately. That, too, is part of the act. At present the Unemployment Insurance Act discriminates against people in the outports of Newfoundland or in the rural areas of other provinces.

The hon. gentleman who proposed this motion is concerned perhaps about the same things I am concerned about, namely, that what is effective in Alberta may not be appropriate in Newfoundland; what may be a practical insurance scheme in a province which has high standards of social legislation may not be practical in a province which does not have those standards. To be truly effective, the Unemployment Insurance Act would need to stipulate different regulations for different parts of this country and for different classes of working men and women. Should the regulations for western Canada be the same as those for Newfoundland? In western Canada thousands of jobs remain unfilled, but in Newfoundland no jobs are vacant. I do not think they should be the same.

By the same token, provincial government policies must be different in different areas of Canada. Should we not consider the economic deprivation of Newfoundland? What should the policy of that provincial government be? Perhaps we could take a lesson from progressive areas of Liberal policy or from the professed policy of the party of the hon. gentleman who proposed this motion.

● (1720)

As far as I am concerned, unemployment insurance should only be used for someone who is looking for a job but cannot find one. He or she should be capable of working. The only exception I would make would be for cases of pregnancy. The unemployment insurance regulations should be open for those people who honestly cannot find work. The workmen's compensation acts should guarantee someone a salary in case of sickness or injury and it should be an adequate compensation. It should be part of the social legislaiton of each province. The working man who pays in to these insurance schemes deserves consideration.

I also believe that the provincial governments are responsible for their own social policy best suited to their province. They are also responsible for developing policies that will guarantee employment. In areas of high unemployment, government initiative may be the only answer for development and perhaps nationalization of industry should be considered. The federal government should stick to certain limits or it will eventually become so involved in provincial matters as to warrant the presently unjustified criticism it is experiencing with unemployment figures and housing.

I will agree with the hon. member on one point, that where a provincial government has been lax, where it has fallen down on social legislation, has got itself into serious trouble financially or is off base spending the hard earned money of the people, some mechanism should exist to make up for that inadequacy, for the sake of the people. Provincial and federal government are elected to protect the people with the workingman's hard earned money, but each government should shoulder its own responsibilities.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Madam Speaker, I am glad to associate with the sponsor of the bill, because I notice that his intentions are excellent. However, with regard to the administrative complications arising out of the present act. I believe that such a bill would further complicate the calculation of benefits owing to a person on unemployment insurance. The fact that a worker is victim of an accident on his job certainly deserves particular attention, so that he may not lose, on such an account, his right or privilege to benefits to which he may be entitled were he on unemployment insurance.

However, Bill C-236 obviously concerns sections 18 and 21 of the act. And section 18, concerning the qualifying period, is quite complicated. It reads:

> The qualifying period of an insured period is the shorter of (*a*) the period of fifty-two weeks that immediately precedes the commencement of an initial benefit period under subsection (1) of section 20, and
>
> (*b*) the period that begins on the commencement date of an immediately preceding initial benefit period and ends with the end of the week preceding the commencement of an initial benefit period under subsection (1) of section 20.

Sections 22, 24 are just as complicated.

I said earlier in this House, and the hon. member who just spoke also suggested that provisions of the act are contrary to amendments introduced by Bill C-236. I also repeated at every opportunity, especially when I gave my views on the acts involving workers, that the legislation is always worded in and almost unintelligible way, and certainly not readable by the workers. The position taken by the sponsors of the bill is very important. But concerning improvements to the unemployment Insurance Act, there should be proposed an amendment explaining clearly that changes proposed should be made part of the act, and be worded to take into account the fact that a worker lost certain benefits he could have been entitled if no accident had happened.

At any rate, the explanations supplied in the bill are pertinent. It is stated that the purpose of the bill is to amend the Unemployment Insurance Act to provide that where an insured person is not working and is receiving total temporary workmen's compensation because of an industrial accident or illness, there shall be added to his qualifying period. The time spent off work and in receipt of the workmen's compensation.

I support the bill, and take this opportunity to suggest that when in due course the Unemployment Insurance Act is amended, which has long been overdue, undoubtedly because the act is too complicated, and therefore there is uncertainty as to how to amend or improve the various unintelligible parts in the act in order to avoid present complications.

And concerning the complexity involving illness, I will give a few examples. I could state hundreds of them, but I thought it would be in order to bring to this House's attention a few facts that occur in cases of illness, concerning qualifying periods, computations, exclusions. There is no end to the story!

• (1730)

I have here the case of a recipient who submitted a claim for sickness benefits on October 27, 1973. He provided the appropriate medical certificate establishing the duration of his disability to December 20, 1973, when he would be recovered, fit and available. On February 7, 1974, the claimant had not yet received any payments. As his claim had been lost, he had to start all over again. He had to file a new claim, provide new medical certificates, even if he had recovered since December 20, 1973. This happens regularly. It is an example of a bureaucracy paralyzed by a red tape avalanche, and the cost of all this must be paid by the Canadian taxpayers.

I have evidence that certain investigators insisted on obtaining a medical certificate from someone who had had a routine medical check-up. This is really astounding. This badly framed legislation has caused so many complications of all kinds that a great number of sections should be amended in accordance with the role of social legislation, and I hope that when they are, the suggestions of the hon. member will be considered.

I have here another case: On January 14, 1974, the commission advised a claimant that his uneligibility period from November 18 to January 5, 1974 was over. However, in another letter, dated February 7, 1974, he was advised that his uneligibility period applied to the complement and extension phases and that his payments were finished. This is all very complex. How can the poor unemployed man, who had a lot of difficulty during his employment period and who acquired by his contributions a right to payments when he becomes unemployed, understand all this? At certain times, there is pandemonium. Then, it is unavoidable that members of the House suggest solutions to try to ease the effects of an overly complex legislation.

I have here another case, a sickness benefit claim submitted on November 18. After completing the normal formalities, the commission paid the contributor $280 for four weeks. Then, the problem of medical certificates came up. He provided four of them. The commission advised him on January 24 that he will perhaps obtain another extension if he reports within the time allowed by the commission.

With the bill now under consideration, I am convinced that there would be problems of medical certificates, since the referral physicians who are considered as specialists

would create problems. I know in certain cases that they are not, although they do give medical certificates to claimants referred to them. In the above-mentioned case of February 18, he is told that his claim which took effect on November 18 is considered as his initial claim and that up to now he has received five weeks of benefits.

At that time, he still had two weeks of sick benefits to receive and he is advised that he will get them in a fortnight. He is also told that since January 20, he is qualified to obtain the ordinary benefits, since the commission has received the authorization from his physician that he could perform some light work and that the claimant was available since January 25. One must not forget that this last letter is dated February 18 and that the person concerned received his benefits during five weeks, as of November 18, 1973.

I could give numerous other examples, but I do not wish to waste time in this regard. I agree with the sponsor of the bill. I also agree that it be passed. However, before concluding, I believe it to be in order to sum up the matter thus: as a result of the complicated legislation drafted by technocrats who have never known the difficulties of unemployed people, a confusing situation has arisen, with the following results; months of delay in the payment of benefits, overpayment of benefits, benefits twice-paid and, in some instances, no payments at all.

All of this due to all kinds of reasons, as insignificant as may be: compromised eligibility, for a start, because of complementary periods, qualifying periods, prolonged periods, to which one must add waiting periods, and leave credits considered as earnings. And to complete the picture, payment procedures were centralized by organizing a team of push-button civil servants fed with often erroneous statistics, who attempt to control the situation to the best of their ability, with more failures than success, by using computers that are out of order as a result of an overload due to income tax returns, so that mistakes mushroom, and unemployed persons suffer from the situation.

It is a sort of summary of the legislation's results. It has brought in certain benefits, I would say a lot of benefits, to many unemployed. But there is so much complications in the technicalities of the regulations that the legislation gives rise to great anxiety for the families of the unemployed who are waiting for unemployment benefits which are not coming.

So, I will conclude by saying that I support fully the proposed legislation, and I would appreciate a lot when time will come to bring forth changes to the legislation—which badly needs them—that the suggestion made today not be forgotten.

[*English*]

Mr. Gilbert Parent (St. Catharines): Madam Speaker, my hon. friend from Nickel Belt and I have known each other for many years and, while we have not always been in agreement on the various issues that we have discussed, I must say that today we do stand shoulder to shoulder at least on this particular aspect of the bill he wishes to have passed. I would hope that the hon. member for Nickel Belt (Mr. Rodriguez) would not think I am simply helping to talk the bill out by giving him all this support which he so richly deserves.

[Mr. Dionne (Kamouraska).]

Mr. Rodriguez: I am watching the clock.

Mr. Parent: I might preface my remarks by suggesting that should this bill be talked out, which I hope it is not, the hon. member could perhaps come to the manpower committee, of which I am a member, where I am sure we would receive him and his suggestion with open arms.

The hon. member for Gander-Twillingate (Mr. Baker) earlier mentioned that there could be an extension of one category which would be useful so far as unemployment insurance benefits were concerned; among others he said that long term illness could be taken into consideration. One aspect of workmen's compensation that I should like to see corrected is that when a man has to stay off work this is counted against him when he comes to draw unemployment insurance benefits. However, I hope we will not take a piecemeal approach to the problem but rather that the comments that have been made will be regarded as an overview of the problems sometimes faced in administering unemployment insurance benefits.

I read some time ago a book called "Future Shock" by Alvin Tofler, and in the book he said people will continue to go to school, not simply for a few years and then leave school never to return, but as an ongoing project right into adult years and beyond. It seems to me this is one aspect that the hon. member for Nickel Belt might also consider.

Having been a teacher, and I understand still being a teacher in good standing with the board, I know the hon. member will appreciate that people who try to better themselves, if you will by pursuing educational studies at school, should in no way be penalized for doing so. If people who have worked for a number of years wish to take a few months or even a few years off to further their education, when their educational term is over and if they are not immediately employable, then I think they should be eligible to draw benefits for which they have worked over the years, though I would not suggest they should draw unemployment insurance benefits while they are actually at school.

I should like to address myself specifically to the cost of unemployment insurance benefits and to pose a question and possibly answer it, though not necessarily for the enlightenment of my hon. friend who, I am sure, is aware of many of the facts and figures that I will be quoting.

Mr. Rodriguez: As long as my hon. friend is not wrong.

Mr. Parent: The hon. member knows that if I am wrong I will be the first to admit it. However, sometimes mistakes are made inadvertently and I am sure the hon. member will at least grant me a small error along the way if one is made.

To return to my remarks, Madam Speaker, what is the cost of UIC? There were changes made in unemployment insurance premiums recently. Maximum insurable earnings under the Canada Pension Plan were changed on January 1, and this means higher unemployment insurance payments for anyone earning over $8,840 a year, and higher Canada Pension Plan payments for anyone earning over $6,600. Moreover, certain salaried employees who

have been paying unemployment insurance premiums at reduced rates will have to pay more because they will have to pay the full shot for the next year.

● (1740)

The hon. member for Nickel Belt will remember the discussion we had some years ago when we were asked to include teachers under the unemployment insurance fund. At that time there was a great furor as teachers felt they would not be among the unemployed because as far as they could see into the future there would always be a need, as indeed there is, for good teachers, since teachers were simply not turned out from our colleges of education without jobs being available. I am a bit sad to say that the prognosis they formed at the time has not held true. In the year 1973, 1,800 and some odd teachers were the beneficiaries of unemployment insurance. More and more people across the country are coming under this scheme, so I would hope again that this would be taken into consideration by hon. members.

Premiums under both these schemes I mentioned are determined by the individual's income level. Under the Canada Pension Plan, which applies to all Canadians other than Quebec residents, the charge is 1.8 per cent of gross income up to a maximum of $6,600. However, the first $700 of income is exempt, making the top premium 1.8 per cent of $5,900, or $106 a year. Next year the percentage and exemption remain the same, but the maximum pensionable earnings will increase from $6,600 to $7,400, so the maximum premium will go up from $106 to $120.

Under the unemployment insurance scheme Canadians at present are paying 1.4 per cent of their gross incomes up to $8,840, which makes the top premium $123 in 1974. This year the maximum insurable earnings will increase from $8,840 to $9,620, and the maximum premium, which the hon. member will no doubt make a note of, will go up from $123 to $134.68.

However, quite a few Canadians have been paying less than the 1.4 per cent, so the increase will be relatively larger for those people. Those are the people who were not covered by the unemployment insurance plan before the scheme was extended to cover everyone at the beginning of 1972. Such people were phased into the scheme gradually, paying reduced rates in 1972, 1973, and in 1974, unless they changed jobs. In each of those years the rate was moved closer to the standard percentage, and for 1975 the difference will be wiped out.

One might ask what the cost of unemployment insurance is to the country. Let me refer to a news release of May 28, 1975, in which it is stated:

> Manpower Minister Robert Andras has promised to study a proposal which could bring 18 more weeks of unemployment insurance benefits to jobless victims of the auto slump.

I draw attention to this because in many ways my constituency is affected just as is the constituency of the hon. member for Nickel Belt. We have many members of the United Auto Workers in St. Catharines, and this information was of particular interest to me.

The news release further states:

> —unemployment benefits for the first four months of this year totalled $1.2 billion, an increase of almost 50 per cent over the $830 million total for the first four months of 1974.

> If projected for the rest of the year at present jobless rates, the total benefit cost of the program this year would be about $3.5 billion—far more than the 1974 total of $2.116 billion.

I just wonder how the suggestion in this bill would fit into this scheme. We were not given any figures by the hon. member, but undoubtedly they would be forthcoming at a later time when this bill got to the committee. I give the hon. member the benefit of the doubt in that regard.

The news release further states:

> Increased unemployment this year with a resultant larger number of claims for benefits and a higher level of payments due to increased earnings are among factors that will push the total up.
>
> Manpower Minister Robert Andras told the MPs that in 1975 the country will face the highest level of unemployment in 14 years.

Again this prognosis saddens me, but it is one which we must consider and check to see how things develop.

The news article then states:

> For the Unemployment Insurance Commission this means substantially increased demands will be made on both its administrative and financial resources . . .
>
> In the first four months of the year, the jobless rate ranged from a low of 6.7 per cent in January to 7.2 per cent in both March and April.

It seems that the people who must apply for unemployment insurance benefits are affected in more ways than one. I have addressed myself to the problem, if you will, in respect of a man or a woman who has been employed for a long period of time and then has to apply for social benefits. To me it is a natural duty or responsibility of every able person to look after himself or herself, in so far as it is possible, and where this is not possible I feel it is incumbent upon society to look after its own.

If, through inadequate legislation, the ambitions of the unemployed person are removed, his dreams are shattered, and his strength is stifled, then we as a nation will have to pay the price, and a high price it will be, because we are depriving ourselves as a group of the many productive years such people would have as citizens, workers, and contributors to society.

What is the reaction of a person who is unemployed for an extended period of time, particularly to his physical makeup? Naturally there is worry about the support of the family, meeting financial commitments, and this is not conducive to quick recuperation or a desire to get out and on the job. Quite to the contrary, in some cases this can worsen the claimant's condition and bring about a series of other ailments including ulcers, stomach and nervous disorders, insomnia and low morale. We do not want any of these things among our citizens because these things can even affect the health of the immediate family.

An hon. Member: What was that about not talking it out?

Mr. Parent: My hon. friend asks about talking it out. I would hope he will bear with me for a few more minutes.

Mr. Rodriguez: About five seconds.

Mr. Parent: I have a few more points to make and I am sure they will be beneficial to you when you present the case to the committee.

The Acting Speaker (Mrs. Morin): Order, please. I would just like to remind the hon. member that his remarks should be addressed to the Chair and not to members on the opposite side of the House.

Mr. Parent: I apologize, Madam Speaker, and I will see to it that all my remarks are addressed to you or through you to hon. members opposite, and I hope you will accept that apology. I trust you will not put a stop watch on me.

How is a person affected emotionally when he is out of work for a long period of time? The traditional role of the man in our society, and I say this knowing that this is women's year and that a large number of wives work, is as the breadwinner and head of the family. A reversal of the roles, that is, the wife being responsible for the family and its upkeep for a long period of time, can in some cases seriously affect the emotional balance of the unemployment insurance claimant, particularly when benefits run out.

● (1750)

The only alternative is welfare, the latter being particularly applicable when the wife is unable for one reason or another to work. The loss of material goods in such cases is highly possible. It might involve the foreclosure of a mortgage or the loss of a car, a television set, or other items. In such cases starting over is a most demoralizing procedure.

Some people might never bring themselves back up to the level or standard of living which they once knew and which they worked so hard to achieve. How does this affect a person mentally? In some cases there is an extension of the emotional aspect. A good citizen in the society which surrounds him might become seriously warped in the face of non-existent benefits, particularly after illness, which quite conceivably might be followed by a loss of employment. This is basically what we are discussing today, the inability of a person to carry on his or her work because of illness. These people who may have been hard working taxpaying citizen contributors to our society sometimes because of illness end up as bitter persons devoid of any ambition or any desire to take care of their commitments.

I would hope that these few suggestions that I make in respect of the bill brought forward by the hon. member for Nickel Belt might be useful to him, and I would invite him to bring them to the attention of the Committee on Labour, Manpower and Immigration. I would hope that this bill would not be left to die on the order paper or remain dormant. I should like to see it revitalized and discussed more fully.

Mr. Chas. L. Caccia (Davenport): Madam Speaker, with his bill today the hon. member for Nickel Belt (Mr. Rodriguez) has reminded the House of the necessity for more work on the existing Unemployment Insurance Act in order to improve it in some parts and to bring about some profound changes in other parts. His proposal of course is to be commended. We certainly agree with him on the substance of what he has put forward to the House.

If the hon. member had assiduously attended the meetings of the Committee on Labour, Manpower and Immigration, as he did in the past, he might agree with some of us that to proceed piecemeal on this very important piece of legislation would not really be in the best interests of the country and the people who benefit from the legislation. As was mentioned by the hon. member for Kamouraska (Mr. Dionne) we would rather include this suggestion, since others that have been put forward by members in various parts of the House, as part of a total package that could be considered by the Minister of Manpower and Immigration (Mr. Andras) in the hope that he will soon bring forward basic changes to the existing legislation.

I should like to give some examples of where there is need for improvement. There should be extensions in respect of the qualifying period as it affects people who aree in receipt of Workmen's Compensation Board payments. In that same category we should also look at the situation of people who suffer from extended illnesses. Amendments are also necessary there. Then there are those people who have been imprisoned, who had been employed before imprisonment and perhaps while in prison. Consideration should be given to these people so that it would be easier for them to enter the work force. Then in respect of people engaged in labour disputes we should consider an extension of the qualifying period. There are also those who are involved in occupational and vocational training courses.

There are also other examples one might give in relation to the initiative taken by the hon. member. It seems to me there should be rewards under the law for people in relation to their attachment to the labour force. In other words, the longer one has worked the longer one should be entitled to benefits. This kind of reward presently is absent from the legislation. Surely Canadians who have been working for a period of 20 or 30 years understandably feel they are entitled to a reward in proportion to the number of years they have worked. They should be rewarded for the continuity of their work so that when they happen to become unemployed this would be reflected in the legislation.

We should eliminate the practice of benefit control officers penalizing innocent people who really do not understand what they are asked to sign in the form of statements submitted to them by the benefit control officers. We should improve the language of the forms which people find extremely difficult to understand when they have to fill them out. We should also provide notice to claimants that they are about to run out of benefits in two or three weeks' time. This should be the procedure rather than the present system whereby someone receives a letter saying that he or she has run out of benefits, period.

Then there should be substantial amendments in respect of training allowances for people undergoing training so that they will have a better income while being trained for jobs. There should also be a rule that would permit the fund to create jobs in the public sector when there is a shortage of jobs in the private sector. I see it is six o'clock, Madam Speaker.

The Acting Speaker (Mrs. Morin): The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

AMENDMENTS TO PROVIDE FOR DEFINITION OF AGRICULTURAL COMMODITY AND BASE PRICE

The House resumed consideration of Bill C-50, to amend the Agricultural Stabilization Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wonder if there would be consent to reverting back to the procedural question that was raised about motions Nos. 1 and 3 standing in the name of the hon. member for Crowfoot (Mr. Horner), and motion No. 2 standing in the name of the hon. member for Red Deer (Mr. Towers).

The Acting Speaker (Mr. Penner): The suggestion is made that we deal with the first three motions to amend Bill C-50 at report stage at this point. Is that agreed?

Some hon. Members: Agreed.

Mr. Reid: Mr. Speaker, on taking a look at these three motions I think it is quite clear that they all propose additional charges against the revenues of the Crown. I do not think it is necessary for me to read the royal recommendation. It is found on the page opposite page 1 of the bill. It lays down the limits beyond which parliament cannot proceed on the money that can be spent.

I direct the attention of the House to Beauchesne's fourth edition, citation 246(3) on page 207, which reads:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objections and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

I would point out that in the case of motion No. 1 an additional commodity is added. In motion No. 2 the conditions are changed so as to change substantially the base price upon which future payments are to be made, and in motion No. 3 the word "five" being changed to "two" is a significant change in the number of years over which the stabilization program is to take place. So I would argue that these three motions offend against the royal recommendation and the traditions and principles of the House of Commons, and therefore cannot be put.

Mr. Gordon Towers (Red Deer): Mr. Speaker, this afternoon I dealt with motion No. 1 and I suggested then that it corrects an omission by the minister. I had hoped that he would have included that commodity in the bill. I believe it is a very serious omission. However, in view of the argument presented by the parliamentary secretary, and in view of motions Nos. 2 and 3 which possibly could be dealt with together, you may wish to separate motion No. 1 from the other two. I want to point out that clause 3.8.2(1) reads:

> The prescribed price of an agricultural commodity in a year shall be,
>
> (a) in relation to a named commodity, the amount obtained by adjusting ninety per cent, or such higher percentage as the Governor in Council may prescribe, of the base price thereof for a year by an index calculated in such manner as may be prescribed by the Governor in Council to reflect the estimated production costs of the commodity in the year as compared with the average of production costs for the five years immediately preceding the year;

My point is that this expenditure has already been covered in the clause, and the purpose of motion No. 2 is merely to clarify exactly what is included in indexing. This was debated at considerable length, and the minister himself stated that he would take into consideration the cost of fertilizer, the cost of labour, the cost of gas, and all the input costs of a product. If he is going to include all the input costs—and I agree that he should—transportation costs should also be included, and so this amendment is needed for clarification. This does not necessarily mean that the amendment will cause a considerable increase in expenditure.

I ask you, Mr. Speaker, what is the transitory expense of an agricultural product? Should you consider its cost to a certain point only, from the combine to the bin, for instance, and disregard any other cost? I assume that the minister will consider the cost of transportation of grain sold outside the Canadian Wheat Board to market as part of the cost of production. This amendment is just for clarification. It could have been included as an encompassing clause, but since we are not sure about that, it was included for purposes of clarification.

With regard to motion No. 3 we find that deleting the word "five" and substituting therefor the word "two" will create no great expenditure of money. It just means that the averaging cost instead of being calculated over five years will be calculated over two years. In fact it could well be that as a result there will be a lesser expenditure if this amendment is adopted. The parliamentary secretary, in my opinion, is misleading the House when he states that an extra expenditure is involved here. By reducing the number of years to two we will be making the cost of production more realistic.

I trust, Mr. Speaker, that you will seriously consider this amendment, and at least allow the second and third amendments to be debated because they are of fundamental importance. It is certainly a matter of clarification. It is tidying the whole bill up, and it does not necessarily mean that there will be a greater expenditure. It is just a matter of clarification so that the producer will know exactly what will be constituted as a cost of production.

● (2010)

As I said earlier, this is covered in the previous clause 3.8.(2), and I would hope, Mr. Speaker, that you will look favourably upon the reception of at least two of these amendments, if not all three.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to support the hon. member for Red Deer (Mr. Towers). The addition of wool in motion No. 1 as an agricultural product should not be denied, and I notice that industrial milk and industrial cream have been separated. I presume that had only the word "milk" been used, that would have meant both industrial milk and industrial cream, but for purposes of clarification and making sure that both are covered, I presume this wording was used.

I think wool should be added because that would signify that wool would come under the legislation. Wool is very much a product of sheep. Leaving wool out would be the same as saying that cowhides would not enter into the calculation of the returns from a cattle beast on the basis that it was separate. Therefore I think wool is very much part of this bill, and to leave it out would mean that the bill would not cover wool. Surely if it is to cover sheep, it really signifies that it covers sheep only as meat, whereas wool should be considered part of the product of sheep. It just so happens that wool is a major part of the return on sheep production. Therefore I do not see any point in not allowing the word "wool".

The bill does include sheep, and I think a good argument could be made, in figuring and assessing the returns from sheep, that one has to consider the value of the wool. All this amendment does is clarify something which has already been implied, that is, that sheep will be covered, and that wool is part of the return from the raising of sheep.

Turning to motion No. 2, it reads in part that:

> ... the base price the cost of transportation of such agricultural commodity from representative producer shipping centres to representative markets averaged for the said five years."

I think this is a very good point. After all, the cost of shipping produce from the general area where it is produced to the general area where it is consumed is substantial, and it makes all the difference in the world. For instance it is argued that western beef producers are being unduly discriminated against by virtue of the high cost of transporting beef carcasses versus live cattle. I think this is a major factor to be taken into account.

The way the legislation presently reads, those who live close to a consuming centre will get quite a lot more out of this base price than those who live far away. Adding the cost of transportation to this base price would remove some of these inequities and make a more representative bill. It does not necessarily mean that the cost would be higher, because the cost of shipping commodities is representative of the cost—

Mr. Reid: Mr. Speaker, on a point of order, I would like to know if the hon. member is addressing himself to the substance of the bill and the motions, or whether he is dealing with the procedural aspects.

An hon. Member: That is not a point of order.

Mr. Ritchie: Mr. Speaker, this does not change the money involved and what the treasury would be responsible for. Deleting the word "five" and substituting the word "two" merely underlines the fact that some number has to be used. It could be one year, two years, five years, 10 or 20 years. None of those figures would imply that the treasury would be responsible for any more costs. To say that substituting the word "two" would cost more than "five" only assumes that inflation will continue, and therefore the average of five years will be less than the average of two years. It could well be the other way. I think motion No. 3 does not in any way imply that the cost to the treasury will be any greater. It may well be less. I suggest that any number could be used, five, ten or twenty, but in a practical way two years does not necessarily increase the cost to the treasury. It may reduce it, and I therefore suggest that it should be allowed so that we might debate it.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, there are several reasons for urging that the amendments are in order. The first, of course, is that the parliamentary secretary has argued that they are out of order. That, by itself, is a major reason.

Some hon. Members: Hear, hear!

Mr. Baldwin: I can understand why the hon. member for Dauphin (Mr. Ritchie) might have wandered a little, because he had the greatest difficulty following the parliamentary secretary in his very tortuous point of order.

I would point out to the Chair the wording of this royal recommendation, and if one were to follow with precision the argument advanced by the parliamentary secretary I must say that this would place great inhibitions upon an opposition which has grave problems trying to put forward proposals to alter bad legislation to make it better and to improve some of the proposals of the government. The difficulties are, of course, in the rules. The royal recommendation in this particular instance says:

> His Excellency the Governor General has recommended to the House of Commons the present measure to amend the Agricultural Stabilization Act to amend in the manner prescribed the definition "agricultural commodity" ...

I would suggest that if the words "the manner prescribed" are to be given the fullest, strictest and harshest interpretation, which the parliamentary secretary urges for them, it would mean that the use of those words in any other bill before this House, with a royal recommendation attached, would make it impossible for the opposition, or any hon. member, to move an amendment. Some day there may be a member of the government party with enough courage to move an amendment. I look forward to that. Some day I will see rising out of those ranks of statues opposite—

Mrs. Campagnolo: Oh, Jed!

Mr. Baldwin: —an hon. man or an hon. woman who will say, "I don't like what the government is doing; I'm going to try to amend it". I look forward to that day. I hope it will happen when I am still in this House. I do not have much hope, but one can wish. I hear them making noises occasionally, but that is as far as they go.

● (2020)

If I can get back to the point I was making, Mr. Speaker, that if these words "the manner prescribed" are to be given the very strict, harsh interpretation ascribed to them by the parliamentary secretary, it would be almost

impossible, if the same words were used in the royal recommendation accompanying other legislation, for members of this House to move any sort of amendment at all. I submit to the Chair that "the manner prescribed" could be expanded to cover all aspects of the bill.

Most people realize that in the interpretation of a statute, the whole statute must be taken together in order to get the meaning. According to the rather absurd, argument advanced by the parliamentary secretary, that would mean that any attempt to amend a particular clause in a meaningful way would be an infraction, and would prohibit a member of the House or a party in this House from making a change.

I am rather shocked at the parliamentary secretary's attempt to do this. He is dredging back 200 years to a royal recommendation, the prerogative of Charles I, James I, Elizabeth I, and Henry VIII, that highly undomesticated monarch. Mr. Speaker, those were the rules that prevailed in those days—"the king can do no wrong"—so the Commons, struggling to do their job were confronted time after time with the fact that the king had brought in a bill and said to them, "You can proceed with this bill for these purposes, but our recommendation circumscribes you, so you are limited in what you do."

We are in the twentieth century, Mr. Speaker. We are a parliament struggling to deal with the tremendous problems which the group of hon. nonentities opposite have been unable to deal with. The parliamentary secretary is attempting to invoke this harsh and rigid rule which is founded on what was done 250 or 300 years ago. I am ashamed that the parliamentary secretary would try to urge Your Honour to delve into the mists of antiquity to call up that rule.

I know we find the rule in Beauchesne today, but if Your Honour were to do the research he would find its origin rests in the days of the kings. Remember, Mr. Speaker, kings lost their heads, and Speakers even lost their jobs from time to time.

Mr. Sharp: No threats now!

Mr. Baldwin: I cited a case yesterday where the Speaker was so incensed at what the government was trying to do that he got up and made a speech. I would not hold it against Your Honour if in making this decision you saw fit to censure the government. I would be prepared to sit down and listen if you were to find that what the parliamentary secretary is trying to do is wrong.

If Your Honour is not satisfied that the sound arguments of the hon. member for Red Deer (Mr. Towers) and the hon. member for Dauphin have demolished the rather trivial proposition of the hon. parliamentary secretary, I would call upon you to consider the consequences of a ruling of this kind which prohibits the opposition or a member from making an amendment. After all, it is only on a contingency basis that those royal revenues—which the Prime Minister (Mr. Trudeau) loves so well—will be in any way circumscribed. There is no certainty of it.

If one looks at the Public Accounts and examines the expenditures made under this bill it will be found that they were extremely limited in some cases—especially under a Conservative government which produced such a great degree of prosperity in the agricultural industry that it was not necessary for the government to be called upon to make good. It is only a contingency liability in this legislation; it does not have the effect of directly dealing with the revenues of the Crown.

I call upon Your Honour to rule with all your resources and advice in an attempt to put the parliamentary secretary back where he belongs.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not intend to take very long on this. In reference to motions Nos. 1, 2 and 3, I would refer Your Honour to *Hansard* for January 24, 1958, when a member of the opposition presented a motion to add another commodity. I would submit at this time that by order of the Governor in Council any commodity can be added to this bill at any time the need is found.

This is what was said at page 3790 of *Hansard* for the date I have mentioned:

> Mr. Chairman, in connection with this amendment, I would like to point out that it is clearly out of order. I think there is no question that if this amendment were accepted it would add to the general cost to the treasury and it is not within the competence of any private member to make an amendment which would have that effect. I therefore think there is no question that the amendment is out of order.

That statement was made by the then minister of agriculture, Mr. Harkness. The amendment was ruled out of order.

In regard to motion No. 2, when the hon. member talks about the present clause in the legislation he says it is already covered by clause 8.2(1). This is not so in terms of expenditure. He refers to the cost of transportation and not to cost of production of input items. We use that if we are figuring the cost of any product today. When costing beef, for example, we figure out the cost of the transportation of the animal and the cost of the transportation of the grain. This is the way it is done, whether some people want to recognize it or not.

In motion No. 3 there is reference to a two-year base. When the bill was first introduced into this House in 1958, the government changed the original period from three years to ten years because it thought it was better. There is no doubt that what members opposite are suggesting now would make it more costly to the government. We have tried all the different formulas, and we think the five-year base period is the most beneficial for the producer and the consumer.

The Acting Speaker (Mr. Penner): I thank hon. members for their contributions to this procedural debate; they have been enlightening, and even at times entertaining.

I think it is quite correct to point out that the guiding principle with respect to the procedural acceptability of the motions before us is in Beauchesne's fourth edition at page 207. Citation 246(3) points out that the recommendation is in reference to:

> ... not only the amount of a charge, but also its objects, purposes, conditions and qualifications.

The hon. member for Dauphin (Mr. Ritchie) made the argument that this was only a cost, but I think the citation goes well beyond a charge alone.

The hon. member for Red Deer (Mr. Towers) argued that there was an omission. I would respectfully point out that this is a point of debate.

The citation makes it clear in these words:

> ... the royal demand of recommendation ... must be treated as laying down *once and for all* (unless withdrawn and replaced) not only ...

If there were an omission it would be the prerogative of a minister of the Crown to withdraw and replace the recommendation, and that prerogative would rest with him alone.

● (2030)

In the case of motion No. 1, it appears clear that a commodity has been added which goes beyond the terms of the recommendation, and therefore it appears to offend section 3 of citation 246 of Beauchesne's fourth edition to which I referred. I therefore rule that motion No. 1 is unacceptable from the procedural point of view.

Motion No. 2 purports to add a new factor or condition in establishing the base price of an agricultural commodity. Therefore, it does, according to the passage I cited, fall into the prohibited category.

Motion No. 3 offends perhaps one of the most fundamental provisions of the recommendation, namely, the number of years needed to establish the base price.

I therefore rule that Motions Nos. 2 and 3 are not acceptable procedurally, and cannot be put.

Does the House wish to proceed with motion No. 4, which appears to be in order?

Mr. Sharp: Mr. Speaker, there have been discussions among House leaders and there is, I think, general agreement that, rather than proceed immediately with the bill now before the House, we should consider several other items on the order paper namely, item No. 15, coming under government business, dealing with the travel of the Standing Committee on Indian Affairs and Northern Development, then items S-25, S-17 and S-15. If we complete that business before ten o'clock, we would propose to revert to consideration of Bill C-50. I hope that there will be consent for this proposal.

Mr. Baldwin: Mr. Speaker, we are prepared to accept this proposal. We are always willing to accommodate the government. We look forward to anything which will improve our desperate economic situation. I do not know what the Explosives Act will do to the economy, but we are willing to discuss it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we also agree to this re-arrangement of our business. At least we will not get any less done this way.

Mr. Baldwin: Stanley, you are a cynic.

The Acting Speaker (Mr. Penner): Is it agreed that we proceed as suggested by the President of the Privy Council (Mr. Sharp)?

Some hon. Members: Agreed.

[The Acting Speaker (Mr. Penner).]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

AUTHORITY FOR STANDING COMMITTEE TO TRAVEL

Hon. Mitchell Sharp (President of the Privy Council) moved:

That the Standing Committee on Indian Affairs and Northern Development be empowered to adjourn from place to place in Quebec and Ontario on two separate occasions on June 8 to 10, 1975, and on June 15 to 17, 1975, or during the summer adjournment of the House, to study economic development on reserves and to inspect some historic sites and parks, and that the necessary supporting staff do accompany the committee.

Motion agreed to.

* * *

PRIVILEGES AND IMMUNITIES (INTERNATIONAL ORGANIZATIONS) ACT

PROVISIONS OF PRIVILEGES AND IMMUNITIES TO EUROPEAN COMMUNITIES' OFFICIALS IN CANADA

Hon. Allan J. MacEachen (Secretary of State for External Affairs) moved that Bill S-25, to amend the Privileges and Immunities (International Organizations) Act, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, I wish to make a few comments about this short bill. Although it is relatively small in size, in terms of the number of clauses it contains it is an important bill.

As hon. members will have noted, the European communities will open a mission in Ottawa in the fall of 1975 and the purpose of this bill, which seeks to amend the Privileges and Immunities (International Organizations) Act, is to accord the mission legal capacities and immunities and to provide that the representatives of the communities shall be accorded privileges and immunities normally accorded to diplomatic envoys under international law.

I wish to underline the importance which Canada attaches to the forthcoming opening in Ottawa of this mission of the European communities. As hon. members know, an important thrust of Canadian foreign policy at present is to establish a contractual link with the European communities. As the Prime Minister (Mr. Trudeau) mentioned in the House of Commons yesterday, I believe, the European commission is now seeking authorization from the Council of Ministers to commence negotiations with Canada for the development of a general framework agreement between the communities and Canada. That, of course, is an important development, and it is our expectation and belief that the Council of Ministers will authorize the commission to undertake these negotiations, which we hope will result in the establishment of that link. Obviously, because of the importance which we attach to this development in our relations with Europe, we consider the opening of a mission of the communities in Ottawa as a significant step. We welcome that development.

The purpose of this bill therefore is to grant to the mission and its representatives the privileges and immunities which are normally accorded to diplomatic envoys under international law, and this is to be achieved by a

simple amendment to the Privileges and Immunities (International Organizations) Act.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, we accept the proposition put forward by the Secretary of State for External Affairs (Mr. MacEachen). We do not propose to discuss the bill at length now. We think there will be an opportunity in committee to examine the Secretary of State for External Affairs, or any civil servant whom he might allow to appear before the committee for examination. I made my opinion known yesterday during the debate; and any hon. members who did not hear me, may, if they are interested, read the report of what I said yesterday about the contractual link. I can only say that it is high time the government did something to restore the prestige, influence and status with European nations which it was so profligate in throwing away in earlier days.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I do not know whether what I am about to say will qualify as a second reading speech.

Mr. MacEachen: Welcome to the diplomatic world, Stanley.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to the second reading of this bill.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, hon. members really seem in a happy mood tonight and determined to proceed quickly to pass this piece of legislation. However I should like to point out to the House the importance of Bill S-25. Even though it has only two pages, it is of great importance on account of the privileges granted in the international organizations having relations with this country.

The bill's explanatory note reads thus:

> The purpose of this Bill is to allow the Governor in Council to provide, by order, the same privileges and immunities to the European Communities in respect of its organization and officials in Canada as he may provide in respect of other international organizations covered by the Act.

I agree entirely with those provisions but I believe certain reservations should be expressed about the order that may be issued by the Governor in Council to extend the same privileges to the European communities without the matter being referred to the House.

I believe we should trust the Governor in Council in the granting of those privileges but in some cases, those recommendations should be submitted to the House so that parliamentarians may be informed, may be aware of the intentions of those international organizations that wish to obtain the privileges intended in this bill.

● (2040)

[*English*]

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

Explosives Act

Motion agreed to, bill read the second time and referred to the Standing Committee on External Affairs and National Defence.

* * *

EXPLOSIVES ACT

AMENDMENTS TO PROVIDE GREATER CONTROL OVER THE PURCHASE, POSSESSION AND TRANSPORTATION OF EXPLOSIVES

Hon. Mitchell Sharp (for the Minister of Energy, Mines and Resources) moved that Bill S-17, to amend the Explosives Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion?

Mr. Peters: Mr. Speaker, I would like an explanation of this bill because I am concerned with one aspect which affects cartridges and explosives. If the parliamentary secretary wishes to make a statement before I speak, I will be pleased to hear him.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I welcome the opportunity to make a few brief comments concerning Bill S-17, to amend the Explosives Act. I want to thank the opposition for their courtesy in allowing me to steer this bill through on behalf of the Minister of Energy, Mines and Resources (Mr. Macdonald).

The general aims of Bill S-17 are to improve control over the distribution of explosives, to provide authority to regulate over the use of fireworks and certain blasting operations, and to update the act with respect to rapid technological changes in the industry. This is the first amendment to the act in 20 years. The last amendment was in 1954.

The high rate of accidents in the explosives industry in the early 1900's, many involving fatalities, emphasized the need for control over explosives. As a result, the first Explosives Act was drafted and introduced into the House of Commons in 1911, and was assented to be passed in 1914. Proclamation was delayed, by the way, until 1919 when the Department of Mines was assigned responsibility for the administration of the Explosives Act. This statute is primarily concerned with public safety and is designed to control the manufacture, testing, storage, sales and importation of explosives, and their transportation by road.

In the 55 years following proclamation of the act, numerous changes were made to the regulations by order in council. The act itself was amended in 1926, in 1946, and most recently in 1954. The amendment of 1946 brought the sale of explosives under the control of the act, allowed the seizure of unauthorized explosives and of all explosives used to commit an offence under the act. The amendment also authorized the minister to order the seizure and destruction of abandoned or deteriorated explosives which present a danger to the public.

The amendment of 1954 revised the whole act into the second consolidation of statutory orders and regulations. The same year, an order in council revised the regulations dealing with the transportation of explosives by road. The major significance of this change was to formalize the road transport of explosives under a permit system and to increase the amount of explosives that could be transported by road to a maximum of 10,000 pounds.

The value of the legislation has been clearly demonstrated during the last 50 years by a significant reduction in the number of accidents. For example, during the four years immediately prior to the introduction of the Explosives Act in 1911, there were 42 fatalities in the manufacture of an estimated 40,000 tons of explosives. By comparison, during the past four years there was only one fatal accident in the manufacture of approximately 900,000 tons of commercial blasting explosives, and the industry ranks high among the top ten safest industries in Canada. In addition, and despite the significant yearly increase in the amount of explosives being used, there has been a progressive reduction in the number of fatal accidents in construction and mining, due mainly to the power under the act to control, through testing, the authorization or certification of explosives.

In effect all explosives, either manufactured or imported for use in Canada, undergo stringent authorization tests to ensure that the most reliable, predictable and safest explosives are available to Canadian users.

There are now 68 factories licensed under the act to manufacture explosives. Fifty-eight factories manufacture commercial blasting explosives, for example, dynamite and blasting agents. Three manufacture blasting accessories including detonators, safety fuses, and detonating fuses. Another three manufacture ammunition, mainly sporting ammunition and industrial cartridges. One firm manufactures fireworks, and three others manufacture military explosives and pyrotechnics.

As I mentioned previously, this is the first amendment since 1954, and during the interval the explosives industry has undergone significant changes. Hence the act contains a number of obsolete terms and conditions which require modernization. In this same context changes are also required to improve administrative procedures and to make information, particularly regarding authorized explosives, more available to the public.

The bill also seeks to improve control over the distribution of explosives. Under the present act, the Governor in Council has the power to regulate over the sale of explosives and we are, by these amendments, seeking authority also to make regulations over the purchase and possession of blasting explosives.

Under existing legislation we have good control over the manufacturer and the vendor of blasting explosives, but insufficient control over the purchaser. We are convinced that we must achieve better control in order to remind the purchaser of his obligation to exercise a more responsible attitude and provide adequate safety and security for explosives in his possession.

This year we have dealt with over 150 incidents of abandoned explosives representing approximately 9,000 pounds of dynamite and 4,000 detonators. All of these incidents have been a direct result of carelessness.

Abandoned and deteriorated explosives pose a serious hazard to the public. Every year several are injured by explosives they find near construction sites. In another case three hunters lit a fire in the stove of an abandoned cabin and were killed when a cache of dynamite exploded. The owner of the property some years previously had ordered more dynamite than he needed for a drainage project, and had cached the explosives in the cabin and forgotten about them. An unfortunate incident, but one which we should be able to prevent under a system of more precise controls.

● (2050)

In future, by this bill the purchase of blasting explosives will be restricted to, first, a person with a valid provincial licence authorizing the storage and use of explosives in a mine or quarry operating under provincial or territorial jurisdiction; second, a person with a valid licence issued pursuant to the Explosives Act for the manufacture, sale or use of explosives; and third, a person with a valid purchase and possession permit.

Recommendations one and two will account for most of the explosives normally consumed, while the third recommendation will cover the balance of the explosives purchased, mainly by the small, intermittent user. The first two recommendations are already reasonably covered by existing federal and provincial licences, but recommendation number three is entirely new. In the latter case the purchaser will be required, pursuant to amendments to the regulations, to complete a form of application giving such personal general information as location, duration, and intended use of the explosives purchased. Provided the licensed distributor can positively identify the purchaser, he may then complete the transaction.

A purchase and possession permit will be valid for a specific period not exceeding 90 days, and will contain detailed requirements to be observed by the permittee for the secure storage and transportation of the explosives. For identification, the explosives will be marked with the permit number, and the purchaser will be required to retain the permit until he disposes of all the explosives. We also intend to recommend regulations which will place the onus of responsibility for the safety and security of explosives on the purchaser rather than on the distributor, as is presently the case. A proposal in this bill will also make it an offence to abandon an explosive.

I would like to emphasize that these additional controls will apply only to blasting explosives. We do not intend to alter significantly any of the present exemptions to the regulations applicable to fireworks, fusees, flares, signals, sporting ammunition, propellants, primers or industrial explosives. In fact, the present regulations, which have been in force for many years, virtually exempt safety cartridges from the manufacturing, storage, sale, importation and transportation restrictions normally applied to other explosives.

In March, 1972, when a similar bill, Bill C-7, was introduced to this House some hon. members misinterpreted the intent of the legislation. Despite assurances to the contrary, they felt we had in mind to restrict the sale,

purchase and possession of sporting ammunition. This misinterpretation of the intent may have been related to a proposed change in the wording of the definition "explosive" and the proposal to delete the term "safety cartridge". However, these were both housekeeping changes and had no relationship to our general intent to introduce tighter controls over blasting explosives. If there is still any doubt concerning these two items we will be pleased to provide more specific information on the changes during hearings in committee.

Representation has also been made to remove such items as sporting ammunition, propellants, flares and fuses from the explosives classification, on the basis that these items are not really explosive in nature. We are the first to agree that a box of shot shells is not as hazardous, from the standpoint of a mass explosion, as a case of dynamite. However, the propellant used in ammunition is made up of high explosive such as nitrocellulose, often in combination with nitroglycerine, and the primers contain explosive ingredients common to detonators. So the manufacture of ammunition is obviously an explosives operation subject to control under the act.

I believe concern was also expressed that, as a result of provisions in this bill, the hand loading of ammunition would not be possible as it would be considered illegal manufacture. There is no change in this bill respecting manufacture, and the reloading of ammunition on private premises is already recognized and approved in the present regulations.

Another matter which prompted some discussion concerned ammonium nitrate. Of course this is a well known chemical which is widely used as a fertilizer. It is also a common ingredient in explosives. In fact some grades of dynamite, as well as many of the water gel and slurry explosives, contain over 60 per cent of ammonium nitrate. In addition, a common blasting agent used mainly in open pit mines and quarries is composed of approximately 94 per cent ammonium nitrate and 6 per cent fuel oil. However, despite its widespread use as an essential ingredient in explosives, ammonium nitrate is not classed as an explosive for the purposes of the Explosives Act unless it is (a) made, manufactured or used as an explosive, or (b) it is stored with other explosives. The reason for this latter requirement is that ammonium nitrate can be made to detonate under the stimulus of a suitable primer such as a stick of dynamite.

Finally, I would like to review the department's position in connection with the application and administration of the act and regulations. The Explosives Act is fundamentally concerned with public safety. The areas of responsibility include manufacture, authorization, storage, sale, importation, transportation by road, and by this bill will additionally include the purchase, possession and use of fireworks and blasting explosives.

The agency directly responsible for the administration of the act is the explosives division of the Department of Energy, Mines and Resources. The division is comprised of a small group of trained explosives specialists, including the chief inspector, his assistant and seven inspectors. This group attends to the administration of the act as it applies to approximately 68 factories which annually produce in excess of 250,000 tons of commercial blasting explosives, several million detonators, large quantities of blasting accessories, sporting ammunition, industrial explosives, fireworks and military explosives. The division is also involved in additional duties related to the storage, handling, sale and distribution of these explosives. The division is not staffed to police the industry but rather to advise and educate. The policy of the department as it applies to the administration of the act is to persuade those people who handle explosives that it is in their best interests to comply with the safety requirements.

This gives a general review of the proposed amendments to the act which, as I indicated, have been based primarily on a wish to tighten up the policing and control of industrial explosives and to tidy up certain aspects of the bill from a technical and legal standpoint. I shall look forward to the opportunity of hearing the comments of other hon. members on this bill, and to having a very full discussion of the proposed changes and hearing other comments when it goes before the Standing Committee on National Resources and Public Works.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I merely wish to indicate that we on this side certainly concur with this bill having second reading. We had some questions regarding the effects the bill might have on sportsmen and the use of ammunition. These have been answered by the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Foster), but I would enter the caveat that we reserve the right to examine the bill in committee to ensure that in fact the law substantiates what the parliamentary secretary indicated to the House.

I also have some concern about the effect of some of the new regulations on farmers and their operations, and the fact that regulations might prevent the efficient use of explosives by farmers who may require to use them in their operations. But bearing in mind the fact that the Minister of Energy, Mines and Resources (Mr. Macdonald) has demonstrated that he is always willing to listen to and accept positive amendments from the opposition, I am sure we can pass this bill through committee in short order.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to thank the parliamentary secretary for his remarks and I express my appreciation to the government of the changes made in this bill which, in my opinion, make it much more acceptable than the previous bill.

One of the fears we had about the last bill was that by tightening control over the sale of safety cartridges and magazines we would in fact eliminate hunting in much of the country. I am pleased to note that the parliamentary secretary, who comes from the same part of Canada as I do, has taken that into consideration. I am more than pleased about the changes which are taking place. We were opposed to the previous bill and its deficiencies in respect of the handling of explosives.

● (2100)

I agree entirely with the parliamentary secretary when he says that for a long time we have had a great number of factories that have been able to produce sophisticated types of explosives without any major disaster or accident.

The explosives manufacturing industry in Canada has enjoyed a better safety factor than many others.

It is also gratifying to note that the parliamentary secretary has taken into consideration problems in relation to ammonium nitrate and the use of diesel fuel. The previous bill did not consider this aspect at all. This is probably the most common explosive used in the mining industry today, and because of the mixed condition of the explosive it has to be handled with a great deal of care. Many mining companies operating quarries were not handling this explosive carefully enough before the informative discussions that took place several years ago.

It has always been my opinion that we should make an extreme effort to clean up those messes which have been left for many years by mining companies at quarry sites, and by prospectors in various parts of the country. Years ago it was a simple procedure for a prospector to buy a couple of cases of dynamite, take it to a prospecting site which showed little promise after a relatively small amount of drilling, and then cache the dynamite with fuses and caps in an unprotected place, and move on to another site, repeating the same process.

I know of accidents that occurred in my own community around Kirkland Lake, Gowganda and Cobalt when children found dynamite or caps. Fortunately in most cases they have taken these to their parents before something serious has happened. This has always been a danger in developing areas where proper care has not been taken in the handling of explosives. This situation was brought forcefully to our attention regarding a quarry field where the FLQ found an almost unlimited and unprotected source of explosives.

I believe, like most hon. members, that we should strengthen our laws in respect of explosives. Explosives are very dangerous, particularly to the young and others who are unaware of the danger. For this reason explosives must be kept in protected locations. Producing mines have always followed this course by maintaining powder and cap houses under suitable control at a reasonable distance. This has certainly not been true of quarries operated by construction companies, and it has not been true of many farmers who in the past used limited amounts of explosives.

The government should be congratulated for tightening up this legislation. The provision in this bill in respect to the transportation of explosives by motor vehicle will prove to be of prime importance. I am sure that anyone who has travelled the northern highways has been surprised to see very large trucks with relatively small signs indicating they are carrying explosives. These trucks regularly travel in normal traffic, with no other safety precaution and only that one small sign on the front.

Star Transfer has for many years hauled explosives from Parry Sound on Highway No. 11, particularly on weekends in very heavy traffic. Fortunately, and mainly because of the competence of the drivers, no serious accident has occurred. I think everyone will agree that this practice is potentially hazardous. The government has done much to eliminate this hazard.

Another potentially dangerous situation is the use of agricultural fertilizers and fuel oil. This is mainly because many people are unaware of the danger. The product is being used for a different purpose, but there is always the danger of a small explosion setting off a larger one. This is particularly so when people without knowledge of the danger carelessly handle the materials. Once people have an indication of the potential danger, the danger itself is lessened. The last time we had a bill of this nature before us we provided for a warning to be placed on products stating that under certain circumstances with extreme force they would explode. That warning should be brought to the attention of all those who may be using such products and may not be aware of the potential danger.

I should again like to congratulate the government for having removed the words "safety cartridges" from the bill. I am violently opposed to the elimination of hunting rights in the northern parts of Canada. Had the previous bill been passed and enforced, no storekeeper would have been able to build the required facilities for storing ammunition. This would obviously have provided complete gun control, unless there was bootlegging of safety cartridges. The removal of those words does not seem to weaken the legislation. What the bill will now do is control explosives, but will leave the decision in respect of gun control in Canada to be made by the House in the form of other legislation. If we want what people refer to commonly as strong gun controls we should provide them by separate legislation rather than bringing in such controls by the back door, which is what the previous bill would have done.

I am very much in favour of the proposed changes to bring the act up to date. I do not see the date when the act was last amended, but I think the bill was originally proposed to control explosives in the mining industry in the Yukon and areas such as Cobalt. The situation has changed, and we require new regulations. I hope the parliamentary secretary keeps track of this legislation to see that it is not changed before it receives third reading, in order that it remains solely an explosives control act, rather than something many of us do not want to see in this bill.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to commend the parliamentary secretary for introducing the bill and for explaining it, because before reading the legislation I had fears about the question of safety cartridges being included.

I think that now we can profitably discuss the bill, concerning the safety of sales, possession and transport. In years passed anybody could own explosives, in my area at least. They were often kept in unlocked hangers, open day and night to anyone who wanted to get dynamite or detonators and so forth.

This is why we had so many accidents in my area. Sales permits were issued to general stores, or anyone for that matter so it seems. I do not know on what grounds they were issued, but I believe the act tolerated it, if there was an act to truly protect the people. I remember that logging companies, mining companies a few years ago were still carrying dynamite to work in automobiles or small trucks. Dynamite was left overnight on the site without supervision. Often 100 or 150 sticks of dynamite were missing. Nobody knew who had taken it. I believe, as the hon.

member mentioned earlier, that the FLQ crisis somewhat scared Quebec autorities and led them to amend the Explosives Act.

● (2110)

I believe that, for a good control, first if you want—It is not enough to say that you pass a legislation, it has to be respected, and I say "well respected". A reform has been initiated in my area. I think it had been realized that the regulations imposed had been disregarded and there is little care, I believe, about those things now. I do not know if it is because the act is not stringent enough, but it is probably for that reason that this bill is being introduced to make it even more stringent. If you do not have competent men to implement that legislation, it will be more or less void.

I am thinking of those who are responsible for explosives. The minister is talking about the premises in which the explosives will be stored, that is magazines. In our area we already started to establish a magazine according to government standards and under the supervision of the federal police, and I think the commerce of dynamite and all explosives throughout Canada should be kept out of stores, and each region should have its magazine and the owner of that magazine, the manager should have a degree in explosives. That is most important.

If you let anyone have a magazine, anyone who knows nothing about explosives, if you let him have a magazine just because he has enough money to build it, to establish it, you will miss the target. We have people throughout Canada with degrees in explosives. They are the people who should be responsible for those magazines. They may not often have the funds to establish those magazines. It is the government's duty to help those people who are ready to co-operate, but let them not be asked to assume everything, to assume establishment costs, because the government requires 100 per cent protection. I am glad that we are dealing with this bill so that the attention of the minister can be drawn to that question. Magazine managers are required to do a lot of things, but the government never takes a step, never lends one dollar to try and help them have 100 per cent safe premises, for we know that magazine owners have to deliver dynamite to working sites, and should never leave near the building sites the remaing explosives, but should bring back to protected magazines the unused explosives every night. And I believe it is only at that condition that no dynamite stick, no explosive will be left astray, and that they will all be stored in safe places, that we will have people respect that bill which we will pass in a few days.

If we do not take the means to make people respect the legislation, we shall pass a law which will have no result. And I believe that we must first of all pay attention to marketing and transport because today, for someone who owns a powder magazine and wants to transport dynamite, the requirements are very strict. I know something about this, because I worked with those responsible for the powder magazine in our area. The authorities are very strict, and rightly so, but when the man responsible for the powder magazine has cancelled—if I may use this word—has cancelled boxes of dynamite, these authorities should not allow these boxes to be placed on the black market when the man qualified to do so has decided that they were unusable, that they must be burned and rejected, when they can be sold in little political side-jobs.

This is not the way to make people respect the law. I believe that when a group or a man is given some responsibilities, it is the duty of the department to help him because the department is the supreme authority in this matter and it must help him when things like this happen. I remember that letters were written on the subject to two or three places, but the real culprit was not found; everything was hidden.

As concerns explosives, we must act directly and in full daylight to put a stop to little political games and plots with such dangerous arms. I believe that it is only if we do this, if we take all necessary safety measures concerning storage, transport and sales of explosives, that we shall start to live a bit more safely, and I believe that everyone will be glad about it.

Once again, I congratulate the sponsor of this bill and give him my assurance that we support the bill and are happy that it was introduced.

● (2120)

Mr. Adrien Lambert (Bellechasse): Madam Speaker, I would like to add just a few relevant considerations to what my colleague for Roberval has just said.

During my life, I had to use explosives very often. At that time, they were called "dynamiters"—I do not know if it is still the word used today. I was then a professional dynamiter for a big mining company, and I had the responsibility of the use of explosives and also the 24 hour control over the explosives used. The existing law was not as strict as the present one. It requested mostly from the dynamiter a much greater responsibility than today. And fortunately I never had to deplore any accident, because we had a sense of responsibilities at that time, unlike the time we live in now. We knew how to use dangerous things with discrimination, and we could accept with great caution all the responsibilities that were given us. We knew that these things were dangerous but also very useful. Recently in 1975, Madam Speaker, I went to my son's farm. While I was there, there came a time when a few sticks of dynamite would have been very useful to destroy a piece of rock and increase the effectiveness of the drain system on part of the land. This task could have been carried out within minutes with dynamite, but I was amazed to learn that one could under no circumstances obtain anywhere in the whole area the few sticks of dynamite and detonators necessary for this job.

Some people got scared all of sudden when were discovered in a number of Canadian centres a few sticks of dynamite which could have been used for all sorts of unfortunate and unsavory jobs, and under the guise of protecting the public, private property and society, much too stringent rules and regulations were established, without considering that in private undertakings, on farms, explosives are often needed for improvements.

I would like to suggest to the parliamentary secretary who introduced this legislation earlier to pay attention to the drafting of the regulations which will follow enactment. In fact, I often said in the House, Madam Speaker, that legislation is voted by parliamentarians, but that regulations are made by technocrats, and that such regula-

tions are often more important than the law. We experience it every day in the enforcement of the Unemployment Insurance Act which is about one quarter inch thick; the regulations are now three quarters of an inch thick.

They are regulations unknown to parliamentarians and they are often enacted against the legislator's intent. Now I think that in the case which is concerning us, the situation is most important. After enactment of this legislation the minister responsible should follow very closely the making of the regulations. These should come back if necessary not only before the cabinet, but sometimes also before the committee of the House so that the House may be sure that the regulations issued following the adoption of the act are consistent with the wishes and the conception of the legislators.

If we proceeded that way, we would not have unpleasant surprises afterwards. We must at least admit that in the daily economic life, explosives will always be necessary. We must not think that when we talk about explosives it is always in terms of disaster and destruction. I think we must first regard explosives as a means to assist man in controlling nature and destroying obstacles, thus allowing mankind and society to achieve with less effort projects that exceed human forces.

This, Madam Speaker, is my way of understanding the use of explosives, and I agree that we should have stricter controls. The regulations would also have to be flexible enough in our rural areas to enable a responsible person capable of maintaining an explosive depot to have control over the depot and be competent enough to go and help farm or industrial organizations that may need help. We should not have stranglehold regulations to the extent that no one be allowed to use this discovery, this essential economic force, thus depriving everyone of its advantages.

Madam Speaker, that is why I suggest that the people involved in drafting regulations have enough foresight and flexibility so that the regulations, once applied, be in accordance with the intent of the legislator.

● (2130)

[*English*]

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

* * *

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

AMENDMENT TO PROVIDE FOR DISCLOSURE OF CUSTOMS DOCUMENTS TO MINISTER

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce) moved that Bill S-15, to amend the Department of Industry, Trade and Commerce Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Madam Speaker, this is a bill which when approved will allow the Department of Industry, Trade and Commerce to perform more effectively an important industrial development function.

[Mr. Lambert (Bellechasse).]

Through analysis of imports, Canadian entrepreneurs, particularly those in smaller businesses, are made more aware of market opportunities. They are thus in a much better position to make informed decisions which can and have resulted in new investment, production and employment. The use of import analyses, therefore, is complementary to the department's other programs to encourage the expansion of efficient Canadian industry. We have been providing these services for many years, but have had to operate in a rather cumbersome manner. The proposed amendments will make our operations more effective.

Detailed analysis of import information is required in order to produce these services, because Statistics Canada data is sometimes inadequate for this purpose since it is compiled to provide information for general use. For instance, the single import classification used by Statistics Canada for "surface active agents, compounded" includes no less than 40 products. This kind of more detailed information only comes to light by means of an examination through our import analysis. Such detail is a basic prerequisite to most feasibility studies carried out by entrepreneurs contemplating establishment or expansion of production facilities. Yet if Statistics Canada were to publish this detail for all items at all times, each publication would fill a room, not to mention costs, delays, and other problems.

In brief, then, the essential difference is that in contrast to Statistics Canada's broad assembly of data from customs documents into predetermined general classifications, the import analysis division of the department researches the precise identification of selected items and compiles them into more finite descriptive product categories.

Such information has already stimulated considerable development of industries in Canada, measured in terms of expanded production, increased exports and, particularly, additional employment. Opportunities frequently lead to the establishment and expansion of small businesses. Furthermore, these analyses, by identifying potential opportunities, can make a valuable contribution to resource upgrading by adding value through processing prior to export. At the same time these analyses are of value in the formulation of commercial policy and in tariff negotiations, particularly in highly complex product sectors. I do not need to remind the House of the important negotiations presently under way in Geneva.

The value of import analysis as an industrial development tool has been exemplified tangibly many times. Recent unsolicited feedback from industry indicated that the department's import analyses have played an important role in decisions to establish a number of new manufacturing operations as well as in numerous expansions of existing operations. Also based on the same voluntary information—and I emphasize the voluntary aspect of the information—these expansions and new operations resulted in several thousand new jobs with a capital investment of at least $150 million. Inasmuch as this information was unsolicited, the data should be regarded as a minimum indication only.

The uses to which the import analyses are put make it essential that the basic data be as detailed and precise as possible, and that it be available in time to permit effec-

tive action. The only source documents which meet these needs are customs invoices and import entries.

Import analyses are currently conducted by staff of the Department of Industry, Trade and Commerce having access to customs documents and sworn under the Statistics Act, in order that the confidentiality of transactions of individual importers be protected.

Under section 5(e) of the Industry, Trade and Commerce Act the minister is required to undertake import analysis for industrial development. The act does not provide, however, the authority necessary for the minister to carry out this mandate. The proposed amendment will make it possible to facilitate and otherwise improve the ability of the department to carry out this valuable service for Canadian business.

Finally, it can be stressed that only those employees of the Department of Industry, Trade and Commerce who are specifically designated by the minister and who have taken the prescribed oath will have access to such documents and information. This is clearly outlined in section 6.1(2) of this bill. Furthermore, the essentiality of maintaining the privacy of information which might otherwise identify the business activity of an individual importer, his agent or his customer, is fully recognized and safeguarded by the provisions of this bill.

These safeguards, which are comparable to those embodied in the Statistics Act, were closely examined and strengthened in the bill's passage through the other place. I believe that I have made clear what the benefits of import analyses are. I think they have been clearly demonstrated. I believe that improved access to source documents will increase their impact on industrial development in Canada.

I hope the House can move rapidly forward to the consideration of this bill at committee stage.

Hon. George Hees (Prince Edward-Hastings): Madam Speaker, this bill gives the Minister of Industry, Trade and Commerce (Mr. Gillespie) the right to obtain from the Department of National Revenue invoices of goods imported into the country.

We in the opposition agree with any proposal which will enable the minister to improve on the very inadequate job he is doing to protect the jobs of Canadian workers.

Some hon. Members: Hear, hear!

An hon. Member: Don't get political.

Mr. Hees: This bill would enable the minister to become better acquainted with the goods being imported into the country. It is particularly desirable that he be better acquainted with the volume of manufactured products, those which produce jobs, which are entering the country in steadily increasing quantities, taking jobs away from Canadians and causing unemployment to rise.

For instance, last year imports of manufactured products into Canada increased by no less than 13 per cent over the previous year. When the minister is asked what he plans to do to slow down these rapidly escalating imports of manufactured goods and to stop the stealing of the Canadian market away from our producers and our workers, he simply refuses to answer. Instead he describes the programs that have been employed by his department for a number of years—programs which have recently proved to be totally inadequate to meet the situation—and which have allowed a steadily increasing proportion of the market to slip through the country's fingers.

● (2140)

As an example, Madam Speaker, last week I outlined specific incentives which the government should introduce to induce greater productivity, research, and development and, by lowering costs and prices and increasing quality and design, enable Canadian producers and workers to regain the sales and jobs which the government's negligence in this regard is losing every day. As he always does, however, the minister simply continued to refuse to even consider practical suggestions made to him. With the passage of this bill I hope that perhaps at long last the actual figures on the imports of these manufactured goods that are pouring into the country every day in increasing quantities will finally be brought to the minister's understanding.

I hope that the sight of the actual invoices showing the quantities which are increasing every day, taking jobs away from Canadian workers, will convince the minister that the situation is very serious indeed. This was agreed by one of his backbenchers the other day, who had the guts to get up when I asked a question and ask the minister if he would bring my sensible suggestions to the attention of the Minister of Finance (Mr. Turner).

I hope that at long last the sight of these invoices will bring a little sense and action into the minister's comprehension. It is for that reason, and that reason alone, that we in the official opposition are very pleased to allow this bill to go forward.

Mr. Arnold Peters (Timiskaming): Madam Speaker, I was of the opinion that this would not have a great deal of effect except that it would probably legalize something that takes place now, but after listening to the previous speaker I think that if the bill is as important as he makes out, then we had better look at it again.

It seems to me the minister should give an explanation of why he needs this information. Surely the information should be fairly familiar to his department already. They must know what is available in this country, and the reasons why what is not available must be imported. If they do not know this, then I agree with the previous speaker that they are not going to provide the type of information that will enable the minister to decide what should or should not be developed in Canada.

I should like to ask the minister if the bill will solve a small problem that I raised about a year ago. A small company was manufacturing a product and found it necessary to import an adhesive it needed from the United States. It had discussed its needs with senior officials of the Department of Industry, Trade and Commerce, and tried the adhesives that the department recommended but none was satisfactory. It then applied for a permit to import the adhesive free for excise tax so that it would be competitive.

It was told—and, Madam Speaker, I did not believe it but I have a copy of the letter—that Shell Canada said they were aware that the product was not manufactured in Canada, that they had patents in the United States for it, and they might consider doing something about it in the distant future. Because of this situation the tax could not be removed. This leads me to wonder if the one hand knows what the other is doing. This seems to be a pretty piddling little bill to provide such a vast amount of knowledge that is obviously necessary.

It would seem to me that if you prove the commodity is not made in Canada, that there is the potential for making it here, then the Department of Industry, Trade and Commerce should either agree to reduce the tariff or to assist somebody in the development of the product.

The company in question was a small one, in the flakeboard field—but flakeboard is important in Northern Ontario. The product is shipped to New York, and part of the raw material comes from Portland, Oregon, because there are not the resources in Northern Ontario to meet the demand. I was not able to persuade the Department of Industry, Trade and Commerce, however, to ask for a remission of the tariff so that the glue could be imported.

The hon. member for Prince Edward-Hastings (Mr. Hees) indicated that the bill would create a lot of new jobs. I hope he is right, but my small dealings with the department indicate that the bill will have to be much enlarged. It will have to have a lot more information in it than the present bill. From a quick reading all this bill says is that the information from the Department of National Revenue, which is privileged information and cannot be divulged because it is the private knowledge of a specific company, under certain circumstances can be divulged to the minister or an official of his department. For what purpose, Madam Speaker? The hon. member for Prince Edward-Hastings believes it is going to produce a great rash of industries. I do not believe it is even going to solve the little problem I had about an adhesive that is not made in Canada. Because Shell Canada could make it if they wanted to, the 17 per cent tariff is not removed. This does not allow a small company in Northern Ontario to have at least a reasonable advantage in the marketplace, so I do not think it matters a tinker's dam whether the bill passes or not. In the first place it comes from the Senate, which makes it suspect because they are not in touch with things anyway.

It is a pious hope to believe that this is going to make the Department of Industry, Trade and Commerce more valuable. I would suggest they give some consideration to the small problems brought to their attention. I am sure every member of the House who brings a problem to the department can provide the information on the company and all the input and invoices, or whatever is required.

It is my belief that when a company wants an advantage it is willing to provide the information, and it is not necessary to go to the Department of National Revenue for it. That department is sacrosanct; the information it has is not supposed to be leaked to anyone. Some businessmen do not think that protection is any great advantage. We live in the age of thievery by computer. If all you have to do is ask the Minister of Industry, Trade and Commerce to ask the Minister of National Revenue (Mr. Basford) for some secret information, this measure will not do what the hon. member for Prince Edward-Hastings expects.

● (2150)

I listened to the minister and listened to the former minister of trade and commerce expressing the pious hope that this bill will help to solve some difficulties. The fact remains that most of our raw materials flow south and finished goods flow north, and releasing or not releasing a limited number of industrial secrets will not reverse the trend. Instead of spending our time in the House and committee discussing the passing of secrets between two ministers of the same government, we could better spend our time exhorting the department, in the words of the former minister of trade and commerce, to get off its fanny and sell and tell every other department to help our industry compete in the market place.

I, for one, think this bill does little except tinker with the present situation. It will not solve the problem of the entrepreneur who wants to sell. As it is, businessmen are inundated with paper work, but their problems persist and do not go away. I think our time could be better spent considering measures which will enable Canadian businessmen to compete in the marketplace. We should not waste time discussing silly bills like this which deal with the exchange of confidential information between two cabinet ministers.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Madam Speaker, this is another very interesting bill which, if implemented, might enable the Minister of Industry, Trade and Commerce (Mr. Gillespie) to provide greater protection to Canadian producers, more particularly in the area of textile and production of meat, specially poultry.

I wonder whether that legislation will be likely to really protect textile workers who for a few weeks now have been losing their jobs by the thousands. I often drew the attention of the Minister of Industry, Trade and Commerce (Mr. Gillespie) on the serious problem of textile product imports. Several members made representations to the minister so appropriate action could be implemented to protect jobs in the textile area and also our Canadian textile industries.

Recently, the minister answered a question by a member, saying that steps will be taken within a few months to ensure the efficiency of a truly appropriate protection. But God knows whether in a few months, the way things are going now, it will not be too late to really ensure the survival of that industry in Canada on which thousands of heads of families depend to provide for the needs of their families.

The situation is the same with respect to meat imports. I also drew the attention of the right hon. Prime Minister (Mr. Trudeau) a few weeks ago on the fact that poultry is imported from the south while quotas are imposed on our domestic producers. And that is going on under the benignant look at our Minister of Industry, Trade and Commerce who should I think always be in close cooperation with the Minister of Agriculture (Mr. Whelan) who is putting up enormous efforts—I recognize it and I say so—

to ensure a certain profitability for the operations of Canadian farm producers.

Under the legislation before us—Bill S-15—I feel there are far too many possibilities to get round the act. At one point, it is said in clause 5:

(5) The Minister of Industry, Trade and Commerce may, by order, authorize the following information to be disclosed:

(a) information relating to a person or organization in respect of which disclosure is consented to in writing by the person or organization concerned;

Imagine! If I simply had to give my consent in writing as to whether I am willing to pay my taxes or not, I would give my consent in writing to not paying them. I think the taxpayer might do the same. Secondly:

(b) information relating to a business in respect of which disclosure is consented to in writing by the owner for the time being of the business;

First, they are asked if they consent to give us the information required for their protection. If they refuse, if there are minor offences, petty offences, a fine of $1,000 or six months imprisonment is imposed, perhaps both if it is a little more serious. But have we really considered the fact that a $1,000 fine for a violation of that law has allowed benefits, profits, in the hundreds of thousands of dollars? It is not even a tithe. I feel that penalty is not adequate. We should be far more categorical, far more strict if we really want that act to be efficient and achieve the hoped for results.

Madam Speaker, I see you are about to call it ten o'clock. So I shall do so myself, but I do not want to speak on this bill again tomorrow; therefore, I am willing to see the bill deferred to the committee.

[*English*]

The Acting Speaker (Mrs. Morin): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

IMMIGRATION—NEED FOR FARM WORKERS IN NOVA SCOTIA—GOVERNMENT ACTION

Mr. Robert McCleave (Halifax-East Hants): Madam Speaker, over the past two summers the Agricultural School in Sneek, The Netherlands, has provided from 14 to 16 young students who have come to central Nova Scotia and worked on the farms in my constituency and in two adjoining constituencies. These have been good, young farmers indeed. Some of the farms they worked on are now owned by people who originally came from The Netherlands to Canada. I think I can safely say without too much contradiction, at least from my Nova Scotia colleagues, that Dutch immigrants as farmers are the most cherished possessions we have. Dutch people really know how to farm.

When the time came for the farmers of Nova Scotia to get their help this year, they found that a quota of 50 had been applied on Dutch students coming to Canada, partly because of economic conditions, I suppose. In any event, when the Nova Scotia farmers got near the scene, the 50 had been spoken for. They had gone somewhere else. It is because of the fact that they have gone somewhere else that I rise to make my complaint this evening.

I really do not want to go into the minutiae as to when the Nova Scotia farmers approached the Manpower offices this year, whether they approached them in time or not. However, I understand that some kind of approach was made three months ago. The farmers were told there were restrictions or quotas applied only at the beginning of April. It appeared that whoever got the 50 Dutch farmers coming to Canada had by that time made their wishes known and had snaffled the whole lot, leaving my cupboard, so to speak, bare. I do not want to get into that sort of argument.

My main concern is that there be farm help available to the farmers in my constituency and the adjoining constituencies. I am advised by the Minister of Manpower and Immigration (Mr. Andras) that all efforts will be made through something known as farm labour pools across Canada to help meet the labour needs in agriculture. Unfortunately, when I talked to my source in the farming community tonight, and that was just a couple of hours before I came to take part in this debate, he advised me that not one of his farmer friends or himself had been given any kind of a lead as to farm help available.

Despite Herculean efforts by Manpower offices across Canada to provide farm help in central Nova Scotia, something that has been known for at least three months is needed, not one person has been referred to those farmers. Under those rather incredible conditions and considering the fact that no one from Mexico or the Caribbean, where I gather we have an agreement to get most of our help—and I do not quarrel with that—is available to work on the farms of Nova Scotia, I want to make a simple representation to the minister.

There is still time to contact that agricultural school in Sneek, The Netherlands. There is still time to contact the Canadian embassy at The Hague to say that there are farmers in Nova Scotia who are prepared to pay air passage for Dutch farmers. They are prepared to pay the minimum wage of $2.25 an hour. These people will work in pleasant surroundings. As a farm area, there is nothing nicer than central Nova Scotia. I hope that some common sense will prevail and this matter will be solved.

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Madam Speaker, I wish to inform the hon. member that we have authorized up to 50 students from agricultural schools in The Netherlands to take summer employment on farms in Canada. Officials of the

department in The Hague have advised that the maximum number of students has already been reached for participation in the 1975 program. Unfortunately, due to current economic conditions in Canada we have found it preferable to restrict the number of foreign students and young workers who are authorized to take temporary employment in Canada this year.

If the farmers in the hon. member's constituency will make their labour needs known to their local Canada manpower centres, I am confident that Canadian students will be provided with equitable wages and working conditions and can meet the needs of these farmers.

HEALTH—MEDICARE—ALLEGED SETTING OF TIME LIMITS FOR MEDICAL EXAMINATIONS—GOVERNMENT POSITION

Mr. P. B. Rynard (Simcoe North): Madam Speaker, I just want to refer to a question I put to the Minister of National Health and Welfare (Mr. Lalonde), as reported at page 4934 of *Hansard*. I brought to the minister's attention the fact that there was interference with doctors and their examinations in the province of Quebec. In his reply the minister said:

I have sufficient confidence in the ability of my provincial counterparts and in the spokesmen for the medical profession in this country to deal with this matter.

I should like to make a few comments on the minister's answer. First of all, I really wonder whether he does have sufficient confidence in his provincial counterparts. Although he says he has, he never reached any agreement on the sharing of costs. He wanted to give them the same sum year after year plus 6 per cent, but this was turned down. There was to be no more cost sharing for the minister. For a man who has so much confidence, he really oozes cautiousness regarding new programs until he knows what they are all about and are going to cost. He would like to run away from mounting costs, but finds he cannot do so.

Although it was his party and not the minister who brought in the relevent bill, the government is responsible for the quality of medical care and its standards across Canada under the Medical Care Act passed on December 21, 1966. Federal contributions were to be about one half the actual cost, not including administration which was to be carried by the provinces. However, very soon after the enactment of the legislation costs rose and have been going up and up ever since.

It is always easy to blame somebody else. Modern care hospital beds were going out of sight due to rising costs. Then it was discovered that there were no chronic care beds or chronic care homes. This is typical of the way the state does things. It is now in a dilemma and wants to close some of the wards in hospitals, but overhead costs are such that the government would only save 20 per cent. Then people complain about the costs of the medical profession.

The government would like to cut down on the cost of doctors, but if it quit paying the doctors entirely all that the state would save would be another 20 per cent. Now the state has hit on a scheme—the doctors must take only 10 minutes for a check-up. A little more extensive check-up, such as a gynaecological examination must take 15 minutes, and so on.

[Mr. Turner (London East).]

Doctors cannot be time clocked. When you tell doctors they must allot time and take ten minutes for one patient and 15 minutes for a gynaecological patient, no doctor who practises medicine would tolerate such orders. It would be only one short step until the state would tell the doctors how many patients per day they could see. Our doctors must never forget the central fact that always remains, and that is the care of the patient.

● (2210)

The minister is an intelligent man. How does he even tolerate the suggestion of time limits for examinations when this involves the health and treatment of 30 per cent of the poor in this country?

We have an aging population, with a dropping birth rate. This means we will have more and more patients 50 years of age and over. These are geriatric patients who often have one or more illnesses, and the key to better medicine is the prevention of disease in these older people, particularly chronic diseases and diseases of a disabling type. Only by preventing these chronic diseases as long as possible will we cut medical expenses. To do this geriatric research studies should be going full steam ahead in order to prevent or avoid multi-care programs for the aged, at least controlling some of this runaway expenditure.

I hope the parliamentary secretary will convey to the minister the idea that he better take a serious look at this suggestion of interference with the conscience of the doctor and the patient. This will have a very serious effect in this country by placing the state in complete control of the conscience of the patient and the doctor.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, the hon. member has brought up the point about the care provided by doctors.

I should like to point out that each province has considerable leeway in determining a number of important matters relating to the operation of its medical care insurance plan without jeopardizing its entitlement to receive federal financial support in respect of its plan under the Medical Care Act. For example, each province can decide how its share of the cost of its plan will be financed (that is, through premiums, sales tax, other provincial revenues or by a combination of methods), whether coverage will be on a voluntary basis or not, and whether services additional to those of the national program will or will not be included in the provincial plan.

This prerogative also extends to methods of physician remuneration. Remuneration of doctors is, by and large, on a fee for service basis and has been for many years. Physicians' fee schedules were established by the various provincial medical associations to be used as a guide by their members in determining what fees will be charged for their services. The fee schedules also have been used as a basis for payment by governmental and private insurance arrangements for many years.

The Medical Care Act requires that the medical care insurance plans of participating provinces provide a reasonable level of payment for insured services. General-

ly speaking, provincial medical care insurance plans provide for some measure of consultation and in some cases formal negotiation at periodic intervals between the medical profession and the responsible authority before payment from the plan will be revised.

The federal legislation permits the medical care insurance plans of participating provinces to remunerate doctors by other methods, such as by full-time or part-time salaries, sessional fees or various combinations of contractual arrangements, but the prevailing method of payment to date has been on a fee for service basis.

With respect to the matter of establishing a relationship between time and particular medical services, this is certainly not a new phenomenom. For many years various provincial medical associations have elected to base professional remuneration on the time required to perform a particular kind or amount of service. Although the time factor is often recognized in these areas of care, generally speaking existing fee schedules are marked by a lack of differentiation according to the time taken by a doctor to render services especially in the case of office visit services.

In the case of Quebec I am informed that the question of inserting in a contract the amount of time the doctor is required to spend with his patient refers to the minimum of time, not the maximum. As the minister pointed out in the House on April 17, "There does not appear to be any intention of restricting the time spent with patients". I trust this adequately outlines to the hon. member the federal government's responsibility in this area.

LABOUR CONDITIONS—POSSIBILITY OF MEETING MR. FITZSIMMONS, PRESIDENT OF TEAMSTERS' UNION—GOVERNMENT POSITION

Mr. John Reynolds (Burnaby-Richmond-Delta): Madam Speaker, I want to use my time tonight talking about a great boycott, about which a lot of Canadians have heard, but about which very few Canadians know very much.

I was shocked last week when I read a letter the Minister of Labour (Mr. Munro) sent the labour critic of our party inviting him to join the minister in a handshaking ceremony with Mr. Cesar Chavez at the front doors of parliament. I have not been here very long but I do not think this type of thing has happened very often, that is, ministers of the Crown meeting people, especially foreign dignitaries, at the front door of this House in a public ceremony, especially the leader of a union which does not have any representatives in Canada.

My question to the minister last week was whether he would accord the president of the Teamsters' Union, the competing union in this great boycott in the United States, the same treatment. I have seen Mr. Fitzsimmons up in our parliamentary restaurant on different occasions when he was with the president of the Teamsters' Union in Canada, who happens to be one of the hon. members of that place next door. Yet I do not believe there has been any move to have the Minister of Labour meet Mr. Fitzsimmons at the front door.

I was also surprised to learn that the Minister of Labour was hosting a luncheon for Mr. Chavez and some of his people. I will admit that the minister, when he recognized my interest, was kind enough to invite me to the luncheon, which I did attend and at which I listened to Mr. Chavez. I also believe it is very important that this House makes sure that Canadians know exactly what is going on in respect of the grape boycott by having Mr. Fitzsimmons up here to explain the teamsters' side on the subject of this boycott in the United States.

Because I had an interest in this subject I made a trip down to California over a year and half ago, on which occasion I spoke to many of the farmers in the area who were very concerned. To my amazement I found out that at one time Mr. Chavez's union controlled a large number of the farm workers. As of this time the teamsters have about 400 contracts in California and Mr. Chavez has only about 14. The teamsters represent between 25,000 and 30,000 workers, while Mr. Chavez represents around 5,000.

A few weeks ago I took a trip down to this area in order to check into some of the things I had discovered a year previously. I called on a man by the name of K. K. Larsen, who own a large grape farm near the area of Indio, California. I went to see him because he has a unique farm. It is one that was under the control of Mr. Chavez's union, the United Farm Workers. He had a free vote of the workers that was conducted by a Father Humphreys. Mr. Chavez goes around the country saying that he has a lot of support from the Catholic Church and other churches, but Father Humphreys happens to be a Catholic priest in the area and he volunteered to hold a free vote of the workers on that farm. The workers on that farm voted 66 to 22 to have the Teamsters' Union come back in.

I visited that farm for the prime purpose of speaking to the farm workers there, because I wanted to determine why they preferred the teamsters over Mr. Chavez. I heard many stories of the same kind I heard from Mr. Chavez about people being beaten up. There was even some talk about murder and the burning down of some buildings. I heard the same thing about Mr. Chavez from people who do not like him. I would admit that some of these stories are possibly true and that there have been some rough-housing tactics, but they have been done by both sides. They have been done under provocation, and I believe they would have happened no matter what anyone did in an attempt to stop them.

In talking to these workers I discovered that they were very happy to be under the Teamsters' Union. They had medical care benefits much better than those under Mr. Chavez. They were quite pleased, as are most farm workers in California, that Governor Brown brought in a bill in the legislature of the State of California which would call for elections in the State of California for all farm workers. Mr. Chavez has been going around the country saying that the Teamsters did not want a vote and that they preferred the situation the way it was. In any contact I have had with members of the Teamsters Union I was told they would agree to a vote, that they wanted a vote. They wanted their conditions, as did Mr. Chavez. Now they have finally got most of their points together and the bill is passing through the California legislature. We will see free votes.

Part of what really disturbs me about seeing Mr. Chavez coming here and receiving support from the Canadian

government is that I will guarantee to the government that the picture of Mr. Chavez and of our Minister of Labour will be all across California in a very short period of time, with a statement that the Canadian government supports Mr. Chavez. I think that is wrong, and we should bring the teamsters up here so that they may avail themselves of the same publicity so that the people in that area will not be misled by Mr. Chavez, as I believe they have been misled by him a number of times. It is time now for a free vote. I am sure, from the information I obtained from the farms I visited, that a free vote will see the teamsters have their union in this area.

I asked them why they are continuing the boycott since they have the legislation and there will be a vote. I asked them why Canadians are being asked not to buy Californian grapes any more, and I was told that the boycott has really worked, that it has given them what they really wanted.

I checked into the situation when I was in California and I have some statistics that I should like to quote:

> Table grape growers and shippers in California are completing one of their largest volume seasons. Shipments are expected to total approximately 20,000 rail cars (1,250 packages per car, mostly 23-pound boxes), which will make this the heaviest volume since 1969 when 20,761 cars were shipped. The 1974 crop is expected to be 4 per cent larger then 1973, or approximately 800 cars.

● (2220)

I think that points out that Mr. Chavez's boycott has not worked, that it has been a real nuisance to many people, and that it has affected many workers.

Another paragraph in the same document reads:

> The boycott by the United Farm Workers of America has been a nuisance to grape shippers, especially since their workers predominately are union members.

This is something Canadians must understand. This is not a fight between unions and workers and management; it is a jurisdictional dispute between unions, and the Canadian government should take no part in it.

The document goes on to read:

> The nuisance value and the inconvenience to consumers, the major economic significance of the boycott seems to be the increase in the retail price of grapes in some markets. Retailers intimidated by the noise and disruption attending boycott demonstrations sometimes choose not to advertise and promote grapes. This reduces the volume they sell, but the natural reaction is to compensate by increasing the retail price. As a result, consumers in the few market areas where the boycotters have been most active are paying higher prices for grapes than consumers in most other areas of the country.

So all this boycott by Mr. Chavez has increased, in Canada especially, the cost of grapes to the Canadian consumer, and it has also affected honest and sincere union workers in California who want to do their job and to pick grapes so that people who own the farms can sell them and can have a good living.

I hope the government makes sure to invite Mr. Fitzsimmons so that his union may get equal publicity over something that I insist is a straight union squabble and has nothing to do with letting Canadians buy what produce they want, but has a lot to do with putting picket signs in front of stores telling us what we should or should not buy.

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I should like to make the following points to help clarify this situation and provide some perspective. First, the Canadian Labour Congress, as well as other groups, has given and continues to give very full support to Mr. Cesar Chavez of the United Farm Workers. In this respect the federal Minister of Labour (Mr. Munro) considers it most appropriate for his office at least to extend some visible recognition to Mr. Chavez and to the cause which he espouses.

The Minister of Labour has always had close empathy with the legitimate aspirations and objectives of working people, particularly in cases involving basic rights. Indeed, the minister considers this involvement as being not only reasonable in the circumstances but democratically desirable in terms of responsiveness to the feelings of concern evinced by numerous labour groups throughout Canada.

I am informed that the minister did not invite Mr. Chavez to Canada. A committee of Canadians, including many church groups, invited Mr. Chavez to Canada. The minister held an all party reception for the guest, including representatives of the Canadian Labour Congress, the Progressive Conservative Party, the NDP, the Liberal party, and, I understand two farm workers, for the purpose of meeting Mr. Chavez.

The minister supports what Mr. Chavez is trying to do in raising the standard of living of farm workers. Certainly if Mr. Fitzsimmons, the president of the Teamsters Union, who represents 85 per cent of farm workers in California, requests a meeting with the Minister of Labour, the minister will be pleased to meet him at any time if he is approached.

[*Translation*]

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

[*English*]

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, June 4, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES

NEWFOUNDLAND SHRIMP—DIFFERENCE BETWEEN PRICE FISHERMEN RECEIVE AND THAT PAID BY CONSUMER—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Newfoundland shrimp for which the fishermen receive 24 cents per pound from the fish plants sell to the consumer in Ontario for 25 cents an ounce, or $1.49 for a six-ounce package or $4 per pound, a difference of 1,666 per cent. In view of this alarming difference from the fishermen to the consumer, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That the matter be a cause for investigation to determine whether the fishermen are being exploited, or the consumer is being ripped off, and that the matter be referred to a joint committee of fisheries and forestry and consumer affairs.

Mr. Speaker: This motion proposed pursuant to Standing Order 43 cannot be presented to the House without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HEALTH

SUGGESTED MEASURES TO RESTRICT USE OF TOBACCO BY CHILDREN—MOTION UNDER S.O. 43

Mr. Eudore Allard (Rimouski): Mr. Speaker, under Standing Order 43, I ask the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Considering that smoking is the leading cause of death in North America, that it leads to the largest number of illnesses, disabilities and premature deaths and owing to the persistency, the increasingly generalized and deeply rooted habit of smoking among children who are not yet over 20, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the Committee on Health should consider a preventive program now carried out in Sweden to avoid smoking among children and that the said committee report to the House so that it may see to the implementation of such a program in Canada.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

ALLEGED INVOLVEMENT OF EMPLOYEE WITH REFUSAL TO ALLOW SOVIET JOURNALIST KONSTANTIN GEIVANDOV TO ENTER CANADA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion arising from current information that a CBC employee was involved in the government's refusal to permit Soviet journalist Konstantin Geivandov to enter Canada. I would move, seconded by the hon. member for Cumberland-Colchester North (Mr. Coates):

That the House requests the Prime Minister to make a statement giving full details of any involvement with Soviet journalist Konstantin Geivandov by a senior CBC employee including the name and position of that employee, the names of members of this House and of the press gallery on whom the employee allegedly compiled files in return for large sums of money and a full explanation as to why this employee under the circumstances should continue to hold a sensitive CBC position where public opinion can be influenced.

Mr. Speaker: Order, please. This motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ADMINISTRATION OF JUSTICE

PROPOSED MINISTERIAL INTERVENTION IN MORGENTALER CASE—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I too rise under the provisions of Standing Order 43. In view of the fact that at least 140 doctors in Quebec have recently admitted aiding in illegal abortions, and in view of the

fact that the evidence in the Morgentaler trial was that he had performed 5,000 abortions most of which had been referred by qualified doctors, and in view of the unusual and unique legal procedure that prevailed in Dr. Morgentaler's case, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Minister of Justice immediately intercede with the Minister of Justice in Quebec with regard to the treatment of Dr. Morgentaler while in prison; with regard to the decision of the Quebec Minister of Justice to continue the prosecution of Dr. Morgentaler on further counts arising at the same time; and with regard to the reasons why other doctors have not been charged despite the overwhelming evidence now available.

Mr. Speaker: The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDIAN AFFAIRS

REQUEST FOR EXPLANATION OF WORKABILITY OF PROGRAM CIRCULAR D-1—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a motion of urgent and pressing necessity. In view of the fact that it is extremely unlikely that native peoples in communities such as Fort Chipewyan or any other remote community can be expected to even receive responses from companies on tenders for amounts as small as $100, and since requiring tenders on all items that cost in excess of $100 imposes an extreme rigidity on the native people, I move, seconded by the hon. member for Churchill (Mr. Smith):

That the Minister of Indian Affairs and Northern Development make a statement to this House to explain the workability of Program Circular D-1.

Mr. Speaker: The motion proposed pursuant to Standing Order 43 cannot be presented without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRANSPORT

DREDGING CONTRACT FOR NORTH TRAVERSE—REASON GOVERNMENT IS NOW CHARGING SUCCESSFUL BIDDER WITH COLLUSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Transport arising out of his statement in the committee of the whole on May 13 as reported at page 5749 of *Hansard* where he said he could give no explanation for the successful dredging bid in connection with the so-called north traverse, this bid being the same as the estimate made by his own department as to what the cost should be. I quote the minister. He said:

But how can I explain it if the RCMP and the courts cannot explain it? . . . They searched everywhere.

● (1410)

Would the minister indicate to the House why the government is now claiming that there was collusion and that the successful dredging company had prior knowledge of the estimate made for the contract by the minister's department? What has happened since May 13?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I understand that this case is before the court now.

Mr. Woolliams: Oh, yes.

Mr. Marchand (Langelier): Yes, it is. I think that the government estimate was about $18 million and the contract was awarded for $20 million. I think I have a letter ready to be sent to the hon. member for South Shore. The hon. member can read it, and if he has another question I can answer it.

Mr. Stanfield: I have another question right now, Mr. Speaker. The successful bid was, I believe, $20,860,000, which was exactly the estimate made by the minister's department as to what the cost should be. I should like to ask the minister why the government is now claiming, in a counterclaim against the dredging company that is suing for payment, that the successful bidder on that contract knew at the time he bid what the departmental estimate was. What has happened since the thirteenth day of May? The minister said that there has been no indication that a civil servant was involved in this. Who was involved? Was a politician involved? How did the successful dredging company find out, as the government now claims what the department's own estimate was?

Mr. Marchand (Langelier): I think that the answer will come from the courts. I do not see how the court, which is aware of all this, is not going to try to clarify the situation.

Mr. Stanfield: Mr. Speaker, the minister having said in the committee of the whole House that nobody knew whether or not there was collusion and the government having now asserted in a public document that there was collusion, I suggest with all respect that the House is entitled to some information, statement or indication from the minister as to what has happened since the minister made his statement on May 13 and why the government is now claiming that in fact there was collusion and is defending itself against this dredging company by making that assertion.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I do not see why it is so complicated. The inquiry was started in Hamilton after a charge was made by the city of Hamilton and after the

RCMP decided to look into some other contracts. They discovered certain facts which were not known by anyone at that time. At no time was I informed by the RCMP or the Attorney General that any civil servant was accused or charged with anything in this matter. I personally have made no inquiry in order to find out if there was a civil servant involved. I think that it is not my job.

Some hon. Members: Oh, oh!

Mr. Stanfield: My supplementary is for the Prime Minister since the Minister of Justice is not in the House. In view of the remarks made here this afternoon by the Minister of Transport, why is the government, in defence of a suit for payment by this dredging company, counterclaiming that the deposit being withheld is not owing because the dredging company before the bid was privy to information in the Department of Transport as to what its estimates were? As we charged, in connection with the minister's statements, the successful bid was exactly what the department was estimating, and the government is now apparently defending itself against the claim on that basis.

Mr. Speaker: Order, please. I do not want to unduly restrict the questioning on this very important subject, but it is a clear rule that matters before the courts ought not to be raised in the House, and the question which indicates that the government is defending itself upon those grounds before the court at this very moment, certainly makes it clear that the questions are directed very pointedly at an issue which is before the courts. There may have been questions to which there might have been some desire to give an answer, but the matter certainly appears to be before the courts.

Mr. Stanfield: Mr. Speaker, with respect, the question of collusion is not before the courts, and the question as to what transpired since the minister made his statement in the House on May 13 is not before the Courts. In the light of these new developments if the Prime Minister cannot answer, we will pursue the matter on another day.

Mr. Marchand (Langelier): Mr. Speaker, on May 13 I just told the truth, and that is all. The police are doing their job and doing research. They are not in contact with me, but they are in contact with the Crown attorney. This case is discussed between them and this is where you are going to get your answer.

Mr. Nowlan: The counterclaim isn't the place.

Mr. Stanfield: On a point of order, Mr. Speaker, I think it is very clear that the Minister of Transport is being quite honest when he says he does not know what is going on. We will have to try to find out who does know what is going on.

DREDGING CONTRACT FOR NORTH TRAVERSE—INQUIRY WHETHER ENGINEERING CERTIFICATES ON WHICH QUANTITIES DREDGED WERE PAID FOR WERE ASSESSED

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary is for the Minister of Transport. In evaluating this contract and the payment of the amount of some $20,860,000, would the minister inform the House if an assessment was made of the engineering certificates on which the quantities dredged were paid for. Was this undertaken by him or any officials in his department?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will consider this matter and answer later on.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED NARCOTICS SMUGGLING RING AT MONTREAL AIRPORT—POSSIBLE EXISTENCE OF INTERNAL REPORT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Solicitor General. Yesterday the hon. member for Oshawa-Whitby asked about an alleged internal report dealing with a big narcotic smuggling ring at the Montreal airport involving some 60 people working at the airport. Can the minister now tell the House whether such a report exists, when it was made and whether it was brought to the attention of the Minister of National Revenue and the Minister of Transport, whose departments' employees were allegedly involved?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, yesterday there was no question about a report. I was asked whether I had given an authorization or whether the commissioner had given an authorization to a member of the RCMP to make certain statements about a police investigation, but there was no question about a report. As far as I know there was no such report. I did not state yesterday that I would look into such a thing. If the hon. member wishes, I could look into that, but I do not know of any, and I did discuss this case at great length with the commissioner of the RCMP yesterday afternoon.

REASON REPORT CONCERNING ALLEGED NARCOTICS SMUGGLING RING IN MONTREAL NOT BROUGHT TO ATTENTION OF MINISTER

Mr. Andrew Brewin (Greenwood): When the minister is looking into this matter will he also be prepared to give some explanation to the House as to why the contents of this report or its subject matter involving a highly important matter were apparently not called to his attention until the story was given to a *Globe and Mail* reporter and made public by that newspaper?

● (1420)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, as far as I know there is no such report. There was an investigation. I do not know what report the hon. member is talking about. As a matter of fact, there was not even an allegation that there was such a report until right now. I should point out to the House that it is not usual for the RCMP to discuss every investigation that is going on with me; there are thousands going on in the country at any one time. If a matter is raised in committee or the House of Commons, of course I approach the RCMP for information or if an investigation is at such a level that questions might be asked I would be informed; but I was not

informed about this investigation. It is not usual to give details of an investigation while it is under way.

Mr. Brewin: A final supplementary, Mr. Speaker. Will the minister agree that a question involving government employees involved in huge narcotics rings is of sufficient importance that it ought to have been reported to him, even if it were not?

Mr. Allmand: No, Mr. Speaker, I do not think that necessarily should have been reported to me. The RCMP investigate and when they have enough proof they bring it to the attention of the Crown prosecutor and charges are laid. Unfortunately, in this case the report appeared in the newspaper in the middle of an investigation. The investigation is well under way so I do not feel I should say anything further about it at the present time.

Mr. Nowlan: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. member for Rimouski.

Mr. Nowlan: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Annapolis Valley on a point of order.

Mr. Nowlan: Mr. Speaker, my point of order is this: the hon. minister just said that he was not asked about a report yesterday. I asked him a very direct question about that which is recorded at page 6375 of *Hansard* as follows:

> Can the minister tell the House when he was first aware of this alleged internal report of the RCMP and of the investigation.

That is as clear as the Queen's English can be, and I cannot understand the minister's answer to the hon. member for Greenwood today. I was amazed at his answer to me yesterday that he was first aware of this internal report when a *Globe and Mail* reporter told him. I have some questions that will come later, Mr. Speaker. My point of order is that the minister was questioned about an internal report and while his answer was not completely responsive, he certainly was questioned directly about it. I should like to know why he answered the hon. member for Greenwood the way he did today, and why he could not answer my question yesterday.

Mr. Allmand: Unfortunately, there has been some misunderstanding, Mr. Speaker. I thought the hon. member was asking yesterday about a report of the investigation, merely meaning a report in the general sense of the report that was given to me. That is the situation. I never had any information about that investigation until yesterday. It is not customary for the RCMP to inform ministers, either at the provincial or the federal level, of every investigation that is under way.

Mr. Speaker: I propose to recognize the hon. member for Annapolis Valley in just a moment. The hon. member for Rimouski.

[Mr. Allmand.]

[*Translation*]

HEALTH

SUGGESTED MEASURES TO RESTRICT USE OF TOBACCO BY CHILDREN

Mr. Eudore Allard (Rimouski): Mr. Speaker, on the point of order raised by the hon. member for Annapolis Valley, I regret, but unless I am mistaken I think his intervention was out of order because when I rose you had recognized me.

Now, I have a question for the Minister of National Health and Welfare, but in his absence I shall put it to his parliamentary secretary. Can the hon. lady tell the House whether she is aware of a program being applied in Sweden to prevent children from starting to smoke? If so, does Canada intend to take similar steps?

[*English*]

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am sure that the department is aware of this. I will be happy to look into the matter and report back to the hon. member.

* * *

ROYAL CANADIAN MOUNTED POLICE

REPORT CONCERNING ALLEGED NARCOTICS SMUGGLING RING IN MONTREAL—REQUEST FOR EXPLANATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Solicitor General. In the question period yesterday the minister said that he was going to have a discussion with the commissioner of the RCMP yesterday. That is why I thought the question of the hon. member for Greenwood was relevant. Can the minister tell the House now if he knows anything more about the internal report of the RCMP on the alleged drug smuggling activities in the Montreal airport and if not, why not?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, yes, I discussed this matter yesterday afternoon with the commissioner and deputy commissioner. After the discussion we decided that it would not be in the public interest to say more about the matter at present.

POSSIBLE INVOLVEMENT OF GOVERNMENT EMPLOYEES IN ALLEGED NARCOTICS SMUGGLING RING IN MONTREAL

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I ask a supplementary question? I appreciate, as every member of the House does, the problems involved in an investigation of such alleged magnitude and sensitivity. Since the story did appear in the national press, since officials of various departments are alleged to have been involved and since the Minister of National Revenue yesterday said he is working with the Solicitor General on this matter, can the Solicitor General tell the House, without compromising the investigation, if officials or personnel either of the Solicitor General's department or of the Department of National Revenue are implicated,

and is a ministerial in-House inquiry being undertaken, in addition to what the RCMP are doing?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, for reasons which the hon. member mentioned at the beginning of his question, we considered yesterday whether we should make more information available; but, on balance, having considered all the alternatives and possibilities, we felt that, for the time being, it would not be in the public interest to say more about this investigation. I can only say that a police investigation is under way; it has been under way and is continuing, and I cannot say any more at the moment.

STATEMENTS BY SERGEANT LEDUC CONCERNING ALLEGED NARCOTICS SMUGGLING RING IN MONTREAL—REASON FOR MAKING STATEMENTS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I ask a final supplementary question? The House may be interested to know that the hon. member for Central Nova also wishes to ask a supplementary question on this topic. Has the minister been in touch with Sergeant Leduc who is on another investigation, or on an investigation outside the country, and with any other police officer whose name appeared in the report, to find out why so many "statements" appeared in the national press?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have not tried to get in touch with those men. The Commissioner of the RCMP and officers of the force are attempting to get in touch with them as soon as possible. They were out of the country yesterday and will return shortly.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I would not want the House to miss my supplementary question. Can the Solicitor General tell the House what prompted members of the RCMP to divulge, apparently prematurely, details of this investigation? Was the reason their sense of frustration at the way the investigation was being handled? May I also ask the minister if any private security or guard agencies were involved?

Mr. Allmand: Mr. Speaker, at present we are not even certain if the officers mentioned in the article actually gave that information. Until other officers of the force have had a chance to speak to them, we will not know the full story, and I cannot say any more about it at present.

* * *

OLD AGE SECURITY ACT

POSSIBILITY OF CHANGE IN ROYAL RECOMMENDATION TO BILL C-62

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I direct my question to the government House leader? I ask it pursuant to my duty to facilitate the smooth operation of the House. It arises from the fact that yesterday the hon. gentleman brought in a changed royal recommendation pertaining to Bill C-62. Although the recommendation has been changed it still provides that the bill is to cover only those people who are married to and living with pensioners. As the bill appears to cover people who are living together in illicit relationships, including incestuous relationships, something that is clearly contrary to the royal recommendation, does the government intend to secure a new recommendation from the Crown, and was what I just raised made known to the representative of the Crown before he was asked for that particular recommendation.

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, we do not intend to change the royal recommendation. Indeed, I intend to call the bill on Friday.

Mr. Baldwin: You are in trouble. You had better read the bill.

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EXTERNAL AFFAIRS

REASON FOR DELAY IN SHIPMENT OF WHEAT TO ETHIOPIA AND SOMALIA

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Grafftey: My question is directed to the Secretary of State for External Affairs.

Some hon. Members: Hear, hear!

● (1430)

Mr. Speaker: Order, please. On one previous occasion when the hon. member for Brome-Missisquoi asked for order to present his question, I indicated in criticism of him that he ought to get to his question quickly. On this occasion he ought to be given the opportunity to get to his question quickly.

Mr. Grafftey: Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Apart from the normal considerations involved in the dockers' strike in the port of Montreal, can the minister inform the House the reason for the excessive delay in the shipment of 10,000 tons of bagged wheat from that port to the countries of Ethiopia and Somalia?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker, but I will make inquiries.

Mr. Grafftey: Can the minister advise whether in fact much of this bagged shipment became destroyed during storage in the port of Montreal and, at great cost to the Canadian taxpayer, is now being reopened bag by bag?

Mr. MacEachen: Yes, Mr. Speaker. I will ascertain that information and give it to the hon. member.

Oral Questions

INDUSTRY

PRATT AND WHITNEY—PROPOSED GOVERNMENT TAKEOVER OF COMPANY IN VIEW OF FAILURE TO SETTLE STRIKE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, two weeks ago I asked the Prime Minister whether the government would take action in the very long and difficult Pratt and Whitney strike, a company in which the government of Canada invested some $60 million. In view of the refusal by the company to accept the recommendations made by the arbitrator appointed by the provincial government and the announcement today that that company now says it did not make a commitment to Premier Bourassa that it will re-hire 1,000 people on strike immediately, will the government consider taking over that company as it has taken over or proposes to take over two other very large aero-space companies as a government corporation?

Right Hon. P. E. Trudeau (Prime Minister): That is not being considered, Mr. Speaker.

Mr. Orlikow: Mr. Speaker, I did not hear the Prime Minister.

Mr. Trudeau: I said it was not being considered, Mr. Speaker.

Mr. Orlikow: Two weeks ago the Prime Minister would not answer my question because it was hypothetical. The company has now indicated very clearly that it still refuses to follow the Canadian law and customs. Will the government now give consideration to taking over that company so that Canadian workers can work and work in peace?

Mr. Trudeau: Mr. Speaker, that is a repetition of the question in a non-hypothetical way. We are not considering taking it over.

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[*Translation*]

FISHERIES

POSSIBLE APPLICATION OF NEW MEAT INSPECTION REGULATIONS IN QUEBEC TO FISH

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of State for Fisheries.

Following the controversy in Quebec about the "Quebec Approved" seal and the provincial government's intentions of revamping the meat inspection system, will amendments to regulations also apply to fish inspection in Gaspé and Îles-de-la-Madeleine?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, the province of Quebec passed complementary legislation to federal laws on fish inspection. Since 1959, if I remember well, federal inspectors have been checking all fish for consumption within and without Quebec. Shying away from entering the present debate on another kind of food, I would strongly advise hon. members to use mackerel when baking pizzas in the future.

[Mr. MacEachen.]

[*English*]

AIR TRANSPORT

FAILURE OF UNITED STATES TO APPROVE PACIFIC WESTERN AIRLINES ROUTE FROM VANCOUVER TO SEATTLE—GOVERNMENT ACTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Minister of Transport. As President Ford has not signed the necessary documents to allow Pacific Western Airlines to fly a direct route from Vancouver to Seattle, has the minister protested this delay by the president of the United States? If not, when will he protest?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I did not understand the route; between Vancouver and—

Mr. Reynolds: Seattle.

Mr. Marchand (Langelier): Mr. Speaker, I know it is in the agreement, but I do not know if the airline has decided to fly it. However, I will inquire and advise the hon. member.

Mr. Reynolds: Mr. Speaker, in view of the fact the airline has tried to fly and has had to announce a cancellation of the schedule because the United States president has not signed the necessary documents, if this is not done within a three or four day period from now, will the minister take unilateral action against United States airlines already flying the routes given to them to come into Canada?

Mr. Marchand (Langelier): Mr. Speaker, if I get from the company the same information which the hon. member has—

Mr. Reynolds: It has been in every newspaper.

Mr. Marchand (Langelier): That may be, but I have not read those newspapers. If the hon. member will send them to me, I will obtain an answer.

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AIR CANADA

INQUIRY WHETHER MR. PRATTE WILL APPEAR BEFORE ESTEY COMMISSION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Transport. As Judge Estey is nearing the end of his hearing and in order to clear up all situations relating to Air Canada that have arisen, does the minister know if and when Mr. Pratte will appear before Judge Estey?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, it is up to the judge and Mr. Pratte to decide, not to me. I do not know why the hon. member is asking me.

INDIAN AFFAIRS

REQUEST FOR RESCINDING OF CIRCULAR D-1 PENDING CONSULTATION WITH NATIVE ORGANIZATIONS

Mr. Cecil Smith (Churchill): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Is the minister aware of a directive sent by the assistant deputy minister to regional directors on February 17 of this year regarding local government programs?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not clear whether that is the directive dealing with local government guidelines. I am aware of that, yes. There was a whole series.

Mr. Smith (Churchill): In view of the fact the directive indicates program circular D-1 is the cornerstone of Indian local government policy and contains non-negotiable conditions which terms and conditions remain mandatory, will the minister now indicate if the directive is government policy or will he confirm his previous statements concerning consultation with the native people by rescinding the present guidelines until such consultations are complete?

Mr. Buchanan: Mr. Speaker, I have indicated in this House on several occasions that they are negotiable in the sense we regard them as being of an interim nature. We are prepared to make changes. In fact, if I could refer to the Standing Order 43 motion put by the hon. member for Battle River, the tender figure has been changed from $100 to $500.

PROVISION IN CIRCULAR D-1 FOR TENDERS FOR ITEMS OVER $100—REQUEST FOR EXPLANATION

Mr. Arnold Malone (Battle River): Mr. Speaker, the minister stated, and it is recorded in *Hansard*, that that review would take place following one year. He might explain to the House the workability of this example in program circular D-1 of asking for a tender on all items of Indian money in excess of $100. How is that going to be workable in places like Fort Chipewyan and other remote areas where they will not even receive a response to tenders?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated, that has been changed from $100 to $500. It is no longer $100.

* * *

ROYAL CANADIAN MOUNTED POLICE

ALLEGATION MEAT FROM DEAD HORSES SOLD IN ONTARIO—INQUIRY AS TO INVESTIGATION BY FORCE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Solicitor General. It arises from the statement by Mr. Wally Koegler of Kitchener, Ontario, the former chief inspector of the Ontario Humane Society that long before the establishment of the Quebec inquiry into organized crime, the RCMP had been investigating a ring with possible organized crime connections that had been selling meat from dead and dying horses in Ontario for years. Is that correct? If so, are such investigations continuing and are charges expected to be laid in connection with this in the near future?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not know about the individual named by the hon. member. However, the RCMP told me they had investigated allegations of bad meat in Ontario as far back as 1969. On each occasion that an allegation of this nature was brought to their attention, they did not find sufficient evidence to lay charges or to prosecute.

Mr. Beatty: Has the minister any knowledge of the case mentioned by Mr. Koegler? According to Mr. Koegler, prosecutions were dropped after a key witness changed his story following a threat by a man with a revolver.

Mr. Allmand: Mr. Speaker, I am not aware of that particular case, but I will check it. When I asked the RCMP about these stories, I was given an answer in a general way. I will check that situation in more detail.

* * *

MANPOWER

POSSIBLE GOVERNMENT MEASURES TO DEAL WITH UNEMPLOYMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to ask the Minister of Manpower and Immigration a question in order to clear up a fuzzy answer he gave me the other day. Has the minister developed any contingency plan to deal with this worsening situation? Can he take the House into his confidence and tell us just what options he is looking at?

● (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): If and when a decision is made on such a program the information will certainly be conveyed to the House.

Mr. Alexander: In the light of the fact that the LIP program is about to expire, can the minister assure us that those who will be unemployed this summer will be able to find employment?

Mr. Andras: I do not think I can add to my previous answer.

* * *

[*Translation*]

SOCIAL SECURITY

EFFECT OF DEATH OF PENSIONER AGED 65 ON ELIGIBILITY OF SURVIVING SPOUSE UNDER BILL C-62

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the Minister of National Health and Welfare being away, I shall direct my question to his parliamentary secretary.

After the tabling of Bill C-62 yesterday by the Minister of National Health and Welfare concerning the possible payment of a pension to the spouse of a person in respect of whom payment of a pension has already been authorized under the Old Age Security Act, may I ask the parliamentary secretary whether, once this bill has been adopted and should the older of the spouses happen to die, the surviving spouse will automatically lose his or her pension entitlement under Bill C-62?

Mr. Speaker: I apologize to the hon. member, but since the President of the Privy Council has already indicated that this bill will be introduced in the House later this week, presumably on Friday, perhaps the hon. member for Bellechasse would wait until then to ask his questions about Bill C-62.

Mr. Lambert (Bellechasse): I thank you, Mr. Speaker, for advising me that Bill C-62 will come this week before the House.

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LABOUR CONDITIONS

STRIKE OF LONGSHOREMEN IN QUEBEC—REQUEST FOR REPORT ON POSSIBILITY OF SETTLEMENT

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I have a question for the Minister of Labour.

Could he advise the House on the progress made in the few last hours to straighten out the situation in the Montreal harbour?

[*English*]

Hon. John C. Munro (Minister of Labour): It is my understanding, following a gathering of longshoremen in Montreal this morning that they are going back to work.

Some hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO SOUTH KOREA—SANCTIONS IN SAFEGUARD AGREEMENT

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises from the announcement on May 28 that Canada had signed a contract for the sale of a CANDU reactor to South Korea and that the negotiations have been completed for a $380 million loan. Would the minister advise the House whether his department embarked on any reassessment of the safety of this sale following the surrender of the Thieu forces in South Viet Nam? Has he been advised that the strategic situation in South Korea remains the same or is there an increased risk in the sale of this reactor?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): At the present time we are continuing negotiations with respect to the conclusion of a bilateral safeguard agreement with South Korea. As the hon. member knows, South Korea has ratified the non-proliferation treaty with the result that the total nuclear system within that country will be under internationally inspected safeguards—the maximum possible safeguard system which can be devised at the present time. This, combined with the Canadian bilateral agreement will be adequate in the circumstances. To reply more directly to the political aspects, we have not reached a conclusion that the political situation has changed to warrant a change in our position.

Mr. Leggatt: Perhaps the minister would table the proposed agreement, or the agreement, in the event one is reached. Would the minister tell us what sanctions are contained in the proposed agreement? What penalty would be imposed on the government of South Korea in the event that South Korea diverted plutonium from its reactor and joined the nuclear club as India has done? I ask this question in the light of a report that the South Korean ambassador has stated that safeguards were an interference with South Korea's affairs. What sanctions would be imposed and how would they be enforced? Would we send Canadian troops into Korea?

Mr. MacEachen: The hon. member will be glad to know we are not proposing to send Canadian troops to South Korea. The safeguards are under international inspection, under an international agency, and any contemplated or active diversion of plutonium for non-peaceful purposes would quickly become apparent to the inspectors and the devices they install. That, of course, is the purpose of the overall inspection system.

An hon. Member: And then what?

Mr. MacEachen: The hon. member realizes that ours is a bilateral agreement and that the NPT is a multilateral agreement; we count, as does the international community, on member states adhering to their commitments.

SALE OF URANIUM TO JAPAN—GUARANTEE OF PEACEFUL USE—SANCTIONS IN SAFEGUARD AGREEMENT

Mr. Eldon M. Woolliams (Calgary North): With reference to the contract with Japan which I understand calls for delivery of 2,000 tons of uranium, may I ask what guarantees there are that this material will be used for peaceful purposes? Is there really any form of guarantee, when we make these deals, that the material we provide will be used for commercial and peaceful purposes?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Yes, Mr. Speaker. The inspection system is entirely focused upon the objective of ensuring that this material and this technology are not diverted for non-peaceful purposes. That is the objective, and it is secured within these safeguard agreements.

Mr. Woolliams: What penalty or sanction would Canada impose if it were found after inspection that there had been improper use of this material—that it had been turned to use as a weapon rather than applied to a commercial purpose?

Mr. MacEachen: In the case of the particular country which has been mentioned, the sanction would be the withholding of further sales.

Some hon. Members: Oh!

Mr. MacEachen: The hon. member will realize that in the case of India, when an explosion took place against the understanding which the Canadian government had reached with the government of India, a number of sanctions were employed—some of them are still in place. It is much to the regret of the Canadian government that this should have happened and we are presently negotiating with the government of India in the hope that we may restore normal relations as they previously existed. I can assure the hon. member that India, as well as Canada, is quite unhappy about the present situation.

* * *

INDIAN AFFAIRS

ALLEGED COERCION OF JAMES SMITH BAND TO ACCEPT LOCAL GOVERNMENT GUIDELINES—REQUEST FOR INVESTIGATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises out of questions addressed to the Minister of Indian Affairs and Northern Development by the hon. member for Battle River. In the course of his reply the minister stated that the local government guideline system was subject to further negotiation. Has there been brought to his attention the very serious situation in the James Smith band in the immediate vicinity of Prince Albert, one of the oldest reserves in our provinces, where the Indian band council has complained to him that the operation and maintenance of its programs are being held back because the band is being coerced into accepting the guidelines to which I have referred. The result of which is that these Indians, by reason of the dictatorial and stubborn attitude taken by the department, find themselves in the position of having to lay off staff and terminate programs, with the consequence that many Indians who would otherwise be self-supporting are now obliged to fall back on welfare? In giving that answer would he also assure me and these Indians, who after all are wards of the Queen, or believe themselves to be, that an investigation will be immediately entered into by his department to the end that if coercion is being practised it will end here and now?

● (1450)

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not accept the suggestion that coercion is being practised. These guidelines went out and, as the right hon. gentleman is aware, there has been considerable discussion and opposition to them on the part of some of the bands in Saskatchewan, and in particular by the Federation of Saskatchewan Indians. I have stated in this House on several occasions that they are of an interim nature and we are prepared to change them. As I would like to indicate in reply to the hon. member for Battle River, we have in fact changed the figures as far as the tender amount is concerned and we are prepared to look at other aspects as well, but they have gone into force as of the first of June.

Mr. Diefenbaker: In addition to changing the figures, Mr. Speaker, has the minister received a complaint from one of the most distinguished chiefs in the province, Chief Sanderson, concerning the fact that so anxious is the Department of Indian Affairs to obtain acquisition to these guidelines the services of the Indian Affairs staff have been terminated, and because this particular band will not accept Mr. J. Wright in an official position? This is a serious matter and one that deserves attention, and I would ask the minister whether he would have these particular complaints looked into because there is a grave injustice being done here if the Indians are being forced or coerced into the position of accepting something they do not want?

Mr. Buchanan: Mr. Speaker, I will state again that I do not accept the suggestion that they are being forced or coerced. I have had several complaints from Chief Solomon Sanderson of the reserve on this subject. As I indicated, we are prepared to make changes. As to the question of Jim Wright, the Acting Regional Director, this was put to me the other day as well, and I have indicated that his appointment is of an acting nature. When the permanent appointment comes up this summer the Indian people will have their representative sitting on the board which will pass on that appointment.

* * *

FINANCE

PROPOSED ESTABLISHMENT OF PROVINCIAL BANK IN BRITISH COLUMBIA—INQUIRY AS TO CONSTITUTIONALITY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, has the Minister of Finance had an opportunity to review the Barrett bank proposal in British Columbia which is contained in a bill now introduced to that legislature to incorporate a new financial institution which is to be 90 per cent owned by the province, and is to have almost all the powers of a regular bank? If so, does the minister agree with Premier Barrett that such a new institution comes within provincial constitutional rights?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing the situation but it does not become other than hypothetical until the bill is passed.

Mr. Stevens: Mr. Speaker, as the present government House leader, when Minister of Finance, adamantly opposed Premier Barrett's attempt to establish a provincially-owned bank of British Columbia, and in fact amended the Bank Act to ensure that this would not happen, will the minister indicate why he appears to have such little concern in respect of the proposed incorporation in that province?

Mr. Turner (Ottawa-Carleton): Simply because, Mr. Speaker, until the bill becomes law it is not a proposition I would have to consider, but any precedent invoked in favour of the House leader is a weighty precedent I would have to consider.

Oral Questions

TRANSPORT

POSSIBLE PAYMENT OF COMPENSATION TO TRUCKING INDUSTRY AS RESULT OF FREIGHT RATE FREEZE—DATE OF DECISION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, on May 23 I asked the Minister of Transport whether the government had finalized a decision in respect of the payment of compensation to the trucking industry for the losses which were incurred as the result of the imposition of the railway freight freeze. He indicated that the matter was going before Cabinet very rapidly, and I wonder if he is now in a position to give an indication to the House whether a payment is to be made to the trucking industry and, if so, in what amount?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is on its way to the proper committee.

Mr. Mazankowski: Mr. Speaker, in view of the fact the Canadian Trucking Association is holding its annual conference in Calgary on June 13, would the minister indicate whether a decision will be announced before that date?

Mr. Marchand (Langelier): I cannot give any promise, Mr. Speaker. This has to go to the committee and then to the Cabinet. I cannot tell the hon. member at what moment the Cabinet is going to decide something.

* * *

[*Translation*]

OLYMPIC GAMES

THE POSSIBILITY OF ISSUING GOLD COINS—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, in the absence of the President of the Treasury Board, I would like to direct my question to the right hon. Prime Minister.

Last Friday, answering one of my colleagues, the President of the Treasury Board stated:

> The government is considering the requests of COJO to find procedures to increase revenues. As soon as the decision of the cabinet is taken, we will probably be introducing legislation in the House in the near future.

Given that answer may I ask the right hon. Prime Minister if the government is trying to establish a new way of financing, and if so what measure does the government intend to bring forward in the House to help the Olympic Games?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not in a position to answer that question. I will very gladly take notice of it and get in touch with the President of the Treasury Board.

[Mr. Turner (Ottawa-Carleton).]

[*English*]

IMMIGRATION

DATE OF DECISION ON WHETHER GENERAL QUANG ALLOWED TO REMAIN IN CANADA

Mr. Derek Blackburn (Brant): Mr. Speaker, could the Minister of Manpower and Immigration confirm that he has received the information from the United States authorities relating to General Quang's activities, and is he now in a position to tell the House whether General Quang will be allowed to remain in Canada, particularly since he has had this information for several days?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are continuing to compile and analyze the information on General Quang. As I have said previously, there are many potentially legal complexities in this case which do not lend themselves to a simple and easy decision, but I expect to make one very shortly.

* * *

ENERGY

OIL—POSSIBLE PRICE ADJUSTMENT IN VIEW OF REDUCTION IN EXPORTS TO UNITED STATES

Mr. James Gillies (Don Valley): Mr. Speaker, given the fact that the apparent volume of exports of oil to the United States is falling below the amount approved, could the Minister of Energy, Mines and Resources indicate whether the government is exploring a series of adjustments in the price so the market will be cleared?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman may recall that the National Energy Board recommended a price adjustment last month, which is a clear anticipation that there will be a slight increase in the volume of exports. I think one can say that the volume of exports has been affected as much by the rather soft market for crude oil in the United States during this period, not unrelated to the performance of the United States economy.

* * *

FINANCE

EFFECT OF DECLINE IN EXPORTS OF OIL TO UNITED STATES ON FUND TO EQUALIZE PRICES

Mr. James Gillies (Don Valley): Mr. Speaker, I should like to direct my supplementary question to the Minister of Finance. Can he tell us in rough proportions how the decline in exports of oil to the United States is affecting the draw down in the general revenue fund as it relates to the equalization program for oil prices across Canada? Can he just give rough figures?

Hon. John N. Turner (Minister of Finance): It is throwing that account into deficit.

AGRICULTURE

ALLEGED LACK OF FUNDS FOR RESEARCH—GOVERNMENT ACTION

Mr. Jack Murta (Lisgar): Mr. Speaker, since there appears to be a very serious lack of funds for agricultural research, especially at the university level, and in light of the fact there has been a statement calling for more funds and staff to prevent the by-passing of important research projects in the agricultural field, will the Minister of Agriculture indicate what action he is going to take to correct what is potentially a very serious situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have done some checking and we find that the amount of research money we put in at the university level compares favourably with that of any nation with a standard of living comparable to ours, and is better than most. We do research as well in our own department. We are concerned about this situation and we are looking at it very closely.

POSSIBLE ANNOUNCEMENT OF AGRICULTURAL POLICY BY FOOD PRICES REVIEW BOARD—GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, the minister really did not answer my question. The fact is that there has been some reduction and it could be very serious. Noting the statement that Canada must develop a fully articulated set of national agricultural policies, and taking into account the fact that the Food Prices Review Board is planning to come up with a statement of new agricultural policies by the end of this year, I would ask the Minister of Agriculture what action his department is taking, or is the Food Prices Review Board slowly moving into the area of formulating agricultural policy under the Minister of Agriculture?

● (1500)

Hon. E. F. Whelan (Minister of Agriculture): They are perfectly welcome to do so if they find the money that goes along with it.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. DIEFENBAKER AND MR. TRUDEAU—RULING BY MR. SPEAKER

Mr. Speaker: As I indicated yesterday, I have given some consideration to the extremely difficult questions of privilege that have been put before us over the last few days. I think hon. members will understand it is not without some difficulty that I will try to resolve the matter.

In view of all the disagreement that has come about in the discussion of these various questions, perhaps it might be wise to start with as much agreement as does exist and

in fact, that is considerable. The first is that the definition of privilege is one that has been strictly adhered to and narrowly interpreted constantly. This has been said many times by my distinguished predecessor whose words I have had a number of occasions to refer to in this parliament:

> On a number of occasions I have defined what I consider to be parliamentary privilege. Privilege is that which sets hon. members apart from other citizens, giving them rights which the public do not possess. I suggest we should be careful in construing any particular circumstance which might add to the privileges which have been recognized over the years, and perhaps over the centuries, as belonging to members of the House of Commons. In my view parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his duties in the House as a member of the House of Commons.

The second thing that seems to be agreed upon is the way in which privilege should be interpreted and that we ought not extend it lightly. It was suggested during the course of the discussion by the hon. member for Winnipeg North Centre (Mr. Knowles) that because there was an indication by both principals in this matter that perhaps they would be agreeable to having the matter aired before the committee, and if I thought that should be done or if I thought there was a prima facie case of privilege, it certainly might be a welcome and easy way to attempt to encourage the House to come to that view. It seems to me, however, that would be shirking the fundamental part of my duty, which is to make those findings I have been asked to make. Whether or not it is of particular joy, it does seem that that is my responsibility and therefore I will set out on that course now.

The third point on which there is agreement is that a dispute as to facts, a dispute as to opinions and a dispute as to conclusions to be drawn from an allegation of fact is a matter of debate and not a question of privilege. The fourth thing that then becomes germane to the case involved is, can an attack by one member of this House upon another, in respect of his conduct as a member of the House of Commons either now or in the past, constitute a question of privilege? That is a very serious consideration.

I might indicate to hon. members at the outset that there are indeed some clear and forceful precedents which indicate that it is almost impossible that an attack of that sort can be made to constitute a question of privilege. I would refer hon. members to a very clear and explicit decision enunciated on December 17, 1964, by Mr. Speaker MacNaughton. That is reported at page 1011 of the *Journals* of the House of Commons for December 17, 1964. It concerned, at the time, a question of privilege raised by the then member for Burnaby-Coquitlam. I am sorry; perhaps I have misled the House. The ruling I am about to read is from an earlier ruling by Mr. Speaker Michener. In any case, it has the same effect:

> In my view, simple justice requires that no honourable member should have to submit to investigation of his conduct by the House or a Committee until he has been charged with an offence.

There are clear reasons for the wisdom of that process to be followed, that if one member seeks to complain about the remarks of another he ought to put it in the form of a charge and take those members before a committee, for the very simple reason that in that circumstance the proponent of the charge or complaint then is saddled with the onus of proving the case before the committee. Often,

the difficulty when one member complains about remarks by another is that if it were to be accepted as a prima facie case of privilege and voted to the committee, when the committee assembles, in fact no one clearly has the onus of proof upon him and no one has the responsibility of carrying the specific case or charge before that committee, and accordingly if any hon. member concerned desires not to appear there as a witness the function of the committee becomes a nullity and a bit of a farce.

Accordingly, there is some wisdom in the process that if one wishes to complain about what another member has done or said, it should be done in the form of a complete charge rather than by way of an alleged question of privilege. That, however, is a very strict view but, again, I might be tempted not to set aside the proposed question of privilege in those circumstances and rely on the precedents to say that if it is not in the form of a charge, it ought not to be considered at this time. However, citations were cited, notably citation 108(3) of Beauchesne which says that libels upon members have been considered as questions of privilege or grounds for them. The fact of the matter is that in looking behind that citation, it turns out to be a situation in which a member of the United Kingdom Parliament placed placards around the county of another member decrying him and calling his conduct degrading and inhuman. That, thankfully, is different to the situation we have here today.

I must also indicate that citation 113 of Beauchesne says that libels upon members and aspersions upon them in relation to parliament have been considered questions of privilege. In light of that, I have, I believe, to address myself to the question of whether or not that is the case now. I certainly do not pretend to speculate on what sort of remarks might constitute a question of privilege or get into a hypothesis of what they may be, but I refer directly to the particular instance that is before us at the present time.

It seems to me that in this particular instance the complaint that is sought to be made the subject of a question of privilege would need to be at least, as a minimum, an allegation of some wrongful conduct or some wrongdoing on the part of the member complaining. That is why the allegation in this case would have to be specifically that the right hon. Prime Minister (Mr. Trudeau), in describing the conduct of the right hon. member for Prince Albert (Mr. Diefenbaker) in his former capacity as prime minister, had accused him of doing something wrongful.

Surely, the motion of the right hon. member which is before me now indicates that slanderous and libellous remarks or allegations were made by the right hon. Prime Minister, and surely slanderous remarks would have to refer to some wrongdoing. That is, of course, the essence of the difference of opinion that is before the House. The right hon. member for Prince Albert says that is exactly what was implied, if not said, by the right hon. Prime Minister; but the right hon. Prime Minister, on the other hand, said it was a criticism or reference to the conduct of the former prime minister but not in any way an allegation of wrongdoing.

In order to come to a conclusion about that, I have to look at the context. The fact of the matter is that the context of the remarks involved an exchange, not only the second but perhaps, if one goes back far enough, the third instalment of a continuing debate which has continued over several weeks in the House between those very distinguished and prominent members. Unfortunately, on the particular occasion when these remarks were made, a direct confrontation between the two of them could not be carried on. I say that very seriously and wish to make it absolutely clear that I do not say it in criticism of either member. All members of this House realize that both right hon. members involved have tremendous obligations about the country, on behalf of this country, in their capacity as leading and prominent members and it simply is not possible for them to be here confronting each other every day, much, I am sure, to the chagrin of the press gallery and other hon. members who find it entertaining.

In any event, I am convinced, in looking at the context of the case, that had that confrontation taken place, probably the remarks upon which I am asked to deliberate now would have been the subject of questions, of points of order, of rebuttal, of reply and the kind of cut and thrust of debate that has made this chamber the very distinguished place it is. Unfortunately, however, that did not take place.

The remarks involved fall into three categories. The first had to do with the stocking of fish in Harrington Lake. The result of that intervention has caused the Prime Minister to come before the House to apologize to the House and withdraw the remark. That obviously had its effect. Surely, now, there can be nothing to go to the committee in that regard. Another dealt with the bomb-shelter at 24 Sussex Drive. It has been pointed out that there is a considerable dispute as to the extent of the expense. The significance of that whole issue is a matter of opinion; it is a subject of a debate in which the listener should judge.

● (1510)

In the final analysis, the remarks that are the most significant have to do with the acquisition of Harrington Lake. In that regard, I think it is not appropriate to listen now to the words of those who say that the words were not intended this way or that way; I think that would be extending leniency beyond the point to which I should go. If I were to accept only now the expression that these words were intended to suggest wrongdoing, it might be better for me to put the question to the House and let the House decide. Instead of doing that, I have gone back to the original remarks of the right hon. Prime Minister, which I will now quote. The Prime Minister said:

> In the same speech, the right hon. gentleman talked about Harrington Lake. I think that was another unfortunate reference, because I suppose he made the largest land grab when he was in office that was ever made by any private citizen of Canada. He did so when he decided that Harrington Lake and the buildings on it should be the country residence of the prime minister. I do not think anybody then sitting on my party's side of the House criticized that decision. He was adding thousands of acres of land for his private enjoyment. I think it was a justifiable gesture, one from which I personally have benefited. In the same way I hope the next prime minister will benefit from the swimming pool at 24 Sussex Drive.

It is for the House and for the public to judge, in so far as they are interested, the wisdom or nicety of those remarks but that is not the question which is before me: the sole question before me is whether those remarks

intended to cast aspersions upon the character of the right hon. member for Prince Albert. In view of the admission or expression contained therein, that whatever action was taken at that time was taken with the support of the whole House of Commons without a contrary voice—and if there was any doubt about that, the Prime Minister added that in retrospect, in his personal opinion, that action was proper and appropriate at the time—I cannot reconcile those public expressions of approval of the action that was taken with a finding that there is an allegation of some impropriety or misconduct on the part of the right hon. gentleman.

I therefore find, in examining them—and I have to come to a decision one way or another—that there is a serious dispute and disagreement as to what the facts were, and there is a further dispute and disagreement as to what implications or significance should be taken from those facts. Those are ingredients for debate and not ingredients for a question of privilege. Therefore, that is my view and it is my hope that the matter will end there.

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CRIMINAL CODE

AMENDMENT TO EXTEND LICENSING REQUIREMENT TO RIFLES

Mr. Stuart Leggatt (New Westminster) moved for leave to introduce Bill C-392, to amend the Criminal Code (control of weapons and firearms).

Some hon. Members: Explain.

Mr. Leggatt: Mr. Speaker, the purpose of this bill is to place firearms which are not now prohibited or restricted, in the restricted category and require a licensing system for the ownership of all firearms. The purpose, in short, is with some exceptions to apply to rifles the law presently in place with respect to handguns.

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

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[*Translation*]

PRIVATE BILLS

REFERENCE TO STANDING COMMITTEE OF PETITION CONCERNING NATIONAL COMMERCIAL BANK OF CANADA

Mr. Bernard Loiselle (Chambly): Mr. Speaker, for the chairman of the Standing Committee on Miscellaneous Private Bills and Standing Orders, I move, seconded by the hon. member for Sainte-Marie (Mr. Dupont):

That, pursuant to the terms of Standing Order 99, the petition requesting the incorporation of the National Commercial Bank of Canada—La Banque nationale de Commerce du Canada, tabled after the time limit stipulated by Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, with the 8th report of the Clerk of Petitions tabled in the House on Thursday, May 29, 1975, that the committee might be in a position to make the recommendations it deems pertinent.

Mr. Speaker: Does it please the House to pass the motion?

Some hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 224, 1,979, 2,093, 2,103, 2,156, 2,188, 2,237, 2,239, 2,252, and 2,350.

Mr. Speaker, would you be so kind as to call starred question No. 2,470?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

TENDERS FOR POST OFFICE—OROMOCTO, N.B.

Question No. 224—**Mr. Howie:**

On what date will tenders be called for the government building to house a post office in Oromocto, New Brunswick?

Hon. C. M. Drury (Minister of Public Works): Tenders for the proposed new Government of Canada Building in Oromocto were called by public advertisement in the last week of May, 1975.

CONTRACT TO CARLETON UNIVERSITY FACULTY OF ENGINEERING

Question No. 1,979—**Mr. Reynolds:**

1. Was a contract awarded February 20, 1974 to the Carleton University Faculty of Engineering, Ottawa, Ontario for a study testing the capability of interactive video communications systems?

2. What is the necessity of the study?

3. Could the information have been available elsewhere as assessed by other governments or with the Department of Communications?

Hon. Gérard Pelletier (Minister of Communications):
1. Yes, the contract was issued on January 30, 1974.

2. The study was initiated by the Educational Technology Program Branch of the Department of Communications to assist the Provinces in the field of educational technology. The overall objective of the Wired City Simulation Project is to evaluate and demonstrate the techniques, economics and utility of integrating two way interactive video communications into the education process. The Simulation Laboratory will provide the capability of evaluating several prototype systems.

3. The Department of Communications does not have this type of Laboratory and it is not available anywhere else in Canada.

Order Paper Questions

UIC—NUMBER OF CLAIMS OFFICERS IN EACH REGIONAL OFFICE

Question No. 2,093—**Mr. Fortin:**

1. How many claims officers are there in each regional office of the Unemployment Insurance Commission?

2. What is the total of claims expected to be handled by the Commission officers?

3. Do the officers have the debtors' records?

4. For each regional office, how many salary seizures were made?

5. For each regional office, how many seizures were made on joint accounts?

6. How many beneficiaries availed themselves of the provisions of section 175 of the Unemployment Insurance Regulations for each (a) regional office (b) province?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1.

Region	No.
Atlantic	10
Quebec	51
Ontario	52
Prairie	18
Pacific	8
Total	139

2. Not available.

3. Yes.

4.

Region	No.
Atlantic	841
Quebec	54
Ontario	510
Prairie	631
Pacific	302
Total	2,338

5. None.

Insert Question No 2093C

6. (a)

Region	No.
Atlantic	100
Quebec	583
Ontario	391
Prairie	71
Pacific	160
Total	1,305

(b) Not available

NOTE: With respect to 1 above, as the commission does not have claims officers, the question has been interpreted as referring to collection officers.

[Mr. Pelletier (Hochelaga).]

UIC—PAYMENT OF BENEFITS IN QUEBEC BY PAYMENT CENTRES

Question No. 2,103—**Mr. Beaudoin:**

1. For the Province of Quebec are UIC benefits paid from certain centres and (a) if so, is the Commission the owner (b) if not, (i) who is the owner (ii) at what rent?

2. How many employees work in the Payment Centre?

3. What is the average processing time for the payment of a benefit?

Hon. Robert K. Andras (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. There is only one payment centre in the Quebec Region. (a) This centre occupies two floors of the building located at 1441 St-Urbain Street in Montreal. (b) It is a federal building belonging to the Department of Public Works.

2. As of April 3, 1975, there were 258 employees working in the payment centre.

3. The payment centre's average unit cost for issuing a warrant was $0.65 in 1974. The average unit cost incurred from January 1975 to March 1975 was $0.52.

UIC—NUMBERS OF APPEALS SUBMITTED AFTER PRESCRIBED DEADLINES, 1974

Question No. 2,156—**Mr. Gauthier (Roberval):**

In 1974, how many appeals were submitted to UIC arbitration boards after the prescribed deadlines and, of this number, how many were heard?

Hon. Robert K. Andras (Minister of Manpower and Immigration): No records are maintained but the Commission is usually lenient in accepting appeals filed after the 30 day limit provided by the Unemployment Insurance Act.

EXPORTS OF FARM PRODUCE

Question No. 2,188—**Mr. Hurlburt:**

1. What quantities of farm produce (a) red meat (beef, pork, others) (b) poultry (c) dairy produce (d) fruits (e) vegetables are exported from Canada?

2. What was the amount exported of each item each year 1960 and 1965 to 1974 inclusive?

3. What is the percentage increase (decrease) for each year and overall for each item over the past five and three year periods?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports the following: 1, 2 and 3. Domestic exports from Canada of the specified farm produce in the years 1960 and from 1965 to 1974, inclusive, are shown on the following table. The percentage increases (decreases) are also provided.

Order Paper Questions

External Trade Division

Canadian Domestic Exports for Selected Years, 1960, 1965–1974

1 and 2.		1960	1963	1966	1967	1968	1969	1970	1971	1972	1973	1974
Meat (including beef, pork & others	CWT	1,303,814	2,074,274	1,779,537	1,531,219	1,881,628	1,737,742	2,474,509	2,562,384	2,668,633	2,867,754	2,312,919
Poultry	CWT	1,782	19,215	19,117	5,092	5,363	11,590	27,704	107,657	31,653	49,309	204,881
Dairy Produce	CWT	1,085,879	1,757,281	1,294,879	1,404,673	1,858,201	2,902,934	3,637,944	2,895,898	1,554,720	2,873,133	1,456,705
Fruits	CWT	414,342	1,839,886	1,846,464	2,433,376	2,107,116	1,841,243	1,606,805	1,459,072	1,407,417	1,703,142	1,351,333
	BU.	2,438,164										
Vegetables	CWT	110,375	7,576,861	6,777,270	7,808,042	6,968,908	8,861,696	8,293,524	6,477,996	6,662,782	6,772,853	6,133,834
	BU.	1,938,569										

3.						(Percent)						
Annual Changes												
Meat				−14.3	−14.0	+22.8	− 7.7	+ 42.3	+ 3.5	+ 4.1	+ 7.4	− 19.4
Poultry				− 0.6	−73.4	+ 5.3	+116.1	+139.0	+288.5	−70.6	+55.7	+315.5
Dairy Produce				−26.4	+ 8.4	+32.2	+ 56.2	+ 25.3	− 20.4	−46.4	+84.8	− 49.3
Fruits				+ 0.3	+31.7	−13.5	− 12.7	− 12.8	− 9.2	− 3.6	+21.0	− 20.7
Vegetables				−10.6	+15.2	−10.8	+ 27.1	− 6.3	− 21.9	+ 2.8	+ 1.6	− 9.5
5-Year Changes												
Meat		(60-65)	+ 59.0				(65-70)	+ 19.2			(69-74)	− 9.8
Poultry			+978.2					+ 44.1				+ 90.3
Dairy Produce			+ 61.8					+107.0				− 49.7
Fruits			+344.0					− 12.7				+ 7.4
Vegetables			+3,864.6					+ 9.4				− 5.4
3-Years Changes												
Meat					(65-68)	+ 9.3		(68-71)	+ 36.1		(71-74)	− 9.8
Poultry						−72.1			+1,007.4			+ 90.3
Dairy Produce						+ 5.7			+ 55.8			− 49.7
Fruits						+14.5			− 30.8			− 7.4
Vegetables						− 8.1			− 7.1			− 5.4

PROVINCIAL POLITICAL BROADCASTS—CBXT EDMONTON

Question No. 2,237—Mr. Schumacher:

1. During the period February 14 to March 25, 1975, by day and by time, how much coverage in scheduled news broadcasts was given to each provincial political party in Alberta by CBC Station CBXT in Edmonton, Alberta?

2. For the same period, by day and by time, how much coverage in scheduled news broadcasts was given to each Leader of each provincial political party in Alberta by CBC Station CBXT-TV in Edmonton, Alberta?

3. For the same period, by day, what were the (a) names of provincial political candidates (b) times used by them participating in the "Hour Glass" programme on CBC Station CBXT-TV in Edmonton, Alberta?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. No daily breakdown is available, but the following are the cumulative totals by week: Feb. 17-23: Progressive Conservative, 4½ minutes; Liberal, 5½ minutes; New Democratic Party, 3 minutes; Social Credit, 9½ minutes; others, 3 minutes. Feb. 24-Mar. 2: Progressive Conservative, 3½ minutes; Liberal, 1½ minutes; New Democratic Party, 4½ minutes; Social Credit, 2½ minutes; others, —. March 3-9: Progressive Conservative, 6 minutes; Liberal, 2½ minutes; New Democratic Party, 4 minutes; Social Credit, 7½ minutes; others, —. March 10-16: Progressive Conservative, 12 minutes; Liberal, 7 minutes; New Democratic Party, 7 minutes; Social Credit, 6½ minutes; others, 5½ minutes. March 17-23: Progressive Conservative, 13 minutes; Liberal, 7½ minutes; New Democratic Party, 9 minutes; Social Credit, 8 minutes; others, 1 minute. March 24: Progressive Conservative, 4 minutes; Liberal, 30 seconds; New Democratic Party, 2 minutes; Social Credit, 3½ minutes; others, —. March 25: None.

2. No breakdown has been made of coverage given to leaders, but amount of time is included in the totals given in part 1.

3. (a), (b) March 7: Julian Koziak, Progressive Conservative, 55 seconds; Gordon Wright, New Democratic Party, 32 seconds; Arthur Yates, Liberal, 28 seconds. (Only candidates nominated in their riding as of March 7). March 17: Grant Notley, New Democratic Party, 27 seconds; Betty Howrey, Liberal, 27 seconds; Werner Schmidt, Social Credit, 47 seconds. (Four main party leaders were invited). March 19: Gordon Minieley, Progressive Conservative, 2 minutes; Howard Rubin, New Democratic Party, 1 minute. (Subject was sale of T-4 slips, not election). March 21: Vera Lane, Independent-Liberal. (Subject was water-sewer problem in Peace River, not election. Ms. Lane was invited as a leader of citizens' group seeking action. Item was 11:38 minutes in length, much of this consisting of interview with Ms. Lane and another member of the group).

Order Paper Questions

NATIONAL DEFENCE—INVESTIGATION OF INSTRUCTIONAL STAFF, CFB SHILO, MANITOBA

Question No. 2,239—**Mr. Clarke (Vancouver Quadra):**

1. Was there an investigation into the behaviour of instructional staff at CFB Shilo, Manitoba, during Phase 1 ROUTP School Summer 1974 and, if so (a) has it been completed (b) have the results been released?

2. Was any wrong-doing revealed by such investigation and, if so, what action is contemplated?

Hon. James Richardson (Minister of National Defence): 1. Yes. (a) Yes. (b) A summary of the investigation was forwarded to Training Command Headquarters.

2. No.

NATIONAL DEFENCE—NON-RECOVERABLE EXPENSES

Question No. 2,252—**Mr. Herbert:**

1. With reference to the answer to Question No. 1,242, what records are kept of expenses incurred by the Department of National Defence in providing emergency assistance requested by other departments?

2. Is provision made in the estimates for such possibilities?

3. Are supplementary estimates ever requested to cover such expenses?

4. Are additional expenses incurred in providing emergency assistance transferred to the department making the request and, if not, for what reason?

Hon. James Richardson (Minister of National Defence): 1. The Department of National Defence maintains records of recoverable costs on a case by case basis.

2. No.

3. The cost of providing extensive emergency assistance could cause a shortfall in program funds, which would result in supplementary estimates.

4. Yes.

METRIC SYSTEM ADVERTISING

Question No. 2,350—**Mr. Howie:**

How much money was paid and to whom, from March 1 to March 31, 1975 to advertise promotion of the metric system in Canada?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): $125,494.97 was spent to advertise promotion of the metric system in Canada from March 1 to March 31, 1975; the advertising agency was Maclaren Advertising Co. Ltd.

*PASSPORT OFFICE, WINNIPEG—PROCESSING OF APPLICATIONS

Question No. 2,470—**Mr. Dinsdale:**

1. Does the passport office in Winnipeg process applications by mail and, if not, for what reason?

2. What facilities are available to residents of Manitoba outside Winnipeg where there is urgency in processing an application?

Mr. Herb Breau (Parliamentary Secretary to Secretary of State for External Affairs): 1. Mr. Speaker, the answer to the first part of the question is no. The six Regional Passport Offices were established to bring a personalized service to as large a segment of the Canadian population as is economically feasible. They were not intended to duplicate the mail service in Ottawa which is centralized for reasons of efficiency and economy. The difference in mailing time between Ottawa and Winnipeg or other locations in Canada is not a significant factor in the overall period of passport processsing time requested on the application form of two weeks plus mailing time.

2. The answer to the second part follows. Emergency service is available at any of the six Regional Offices or at Ottawa. All Regional Offices are located in cities with major Canadian international airports from which travellers going abroad can be expected to leave Canada. This was one of the considerations in the planning of the locations of the Regional Offices which are and should be used for urgent service.

[Mr. Faulkner.]

MOTION FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 23 is acceptable to the government.

I ask that the remaining notices of motions be allowed to stand.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

COPIES OF ALL CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND THE CORPORATION OF THE CITY OF MONTREAL

Motion No. 23—**Mr. Diefenbaker:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence from or to the Prime Minister or other Minister of the government with Mayor Drapeau or representatives of the Corporation of the City of Montreal in connection with the 1976 Olympic Games and in particular any letters that have to do with the matter of federal assistance to the City or Olympic organization.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed, from Monday, May 26, consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, it is my particular pleasure to speak on this bill today. I wish to indicate to the House that I have received over 200 letters opposing the bill and possibly only ten letters in favour of it. Thus far, that is the input of my riding of Kootenay West.

On examining the bill and hearing the genuine concern expressed in the contributions to the debate by members on both sides of the House, I find it very difficult to come to any other conclusion than that this bill is both foolish and a pack of nonsense. The minister is demonstrating no concern for the facts and no concern for the Canadian employees of *Reader's Digest*. He is not really concerned about the tax dollars which will be generated; he is concerned about the tax shelters which he would supposedly remove.

● (1520)

Mr. Paproski: He is not even here today.

Mr. Brisco: I noticed that, and that happens frequently. He has not concerned himself, nor has he indicated to the House any concern about the revenue generated by *Reader's Digest* for the Post Office—and the Post Office needs all the revenue it can get nowadays. The minister has not said anything about freedom of the press, unless it is the Heritage press. What has happened to the Bill of Rights? What is the minister trying to do for the Canadian magazine industry? The Toronto-based Liberal mandarins and eggheads want to build their left wing empire on the backs of Canadian taxpayers, and if not by government grant then the minister will build it by grant of government legislation.

What does the Secretary of State (Mr. Faulkner) have against *Reader's Digest*? He was not satisfied just to introduce Bill C-58. As an interesting aside, it should be noted that he had to tangle his department in a web of confusion and intrigue with the Society for the Study of the Heritage of Canada, and he showed not a shred of conscience over the creditors of this bankrupt, so-called non-profit society. Not only has the Secretary of State not demonstrated any concern for these creditors, but neither has the Minister of National Revenue (Mr. Basford), the Minister of Indian Affairs and Northern Development (Mr. Buchanan), the Minister of Consumer and Corporate Affairs (Mr. Ouellet), and so on. But what has that to do with *Reader's Digest*? There is an organization in France called the Foreign Study League. The Foreign Study League is a creditor of the Society for the Study of the Heritage of Canada, to the tune of $106,000, and the Foreign Study League just happens to be a subsidiary of *Reader's Digest*.

I wonder what else the Secretary of State can dabble in besides this mess. He talks about 80 per cent Canadian content. I can only imagine that about 40 per cent of this Canadian content will be heifer dust cranked out by a mindless amateur in the office of the Secretary of State. Let us go back to the very basics of the *Reader's Digest* confrontation. Let us go back to the people who really demonstrate some concern, the average citizen, more particularly the senior citizen and his $3 per year subscription to pleasure. One of the beauties of this particular magazine is its variety of content and the contributions by authors and writers from around the world. Some say it is not very factual and there are times when the medical profession finds *Reader's Digest* to be the bane of its existence, when patients come in with a new set of symptoms which they have diagnosed from the pages of "Joe's Liver" taken out of *Reader's Digest*. But beyond that it is a gentle magazine which is easily read and thoroughly enjoyed, particularly by senior citizens.

It probably is of no consequence at all to the heartless Secretary of State, but I wonder how many senior citizens across Canada buy a subcription for a grandchild, son or daughter. It is an inexpensive Christmas gift, and God knows senior citizens can ill-afford anything but an inexpensive gift. I wonder why the minister is so concerned when all the senior citizen wishes to demonstrate is a monthly reminder of love and affection.

This fiasco of Bill C-58 reminds me very much—sickeningly so—of the attempt of the British Columbia government to grab a so-called educational television channel for its own use. I cannot help but feel that with this bill the federal government seeks to impose itself again upon the public, against the will of the public, leading them blindly down the garden path with soft chatter, vague innuendos and platitudes and saying that everything is all right, but that the government wants to be damned sure it knows what we are going to read and it has to be something of which the government approves.

I wonder why the government does not demonstrate the same concern with regard to *Playboy* magazine and magazines of similar type. We have not heard anything from the Secretary of State about those. I wonder if he considers them to be highly educational. I am awaiting the suggestion by the minister that we remove sex instruction from the schools and buy all the students subscriptions to *Playboy*. That seems to be a very liberal proposal.

I would also like to draw the attention of the House to the intelligent Liberal opposition to this bill—the only Liberal speeches which, in my view, have made any sense. Obviously, those hon. members are demonstrating their concern that the new philosophy and the new policy is porno first and intellect last. What an epitaph for a government! Next week I suspect that a magazine which is now on the stands, *Nous* magazine, with the blessing of the Secretary of State will lift the maple leaf from the nether regions of that full page fold-out of the Prime Minister (Mr. Trudeau). I saw an hon. member over here who was smiling but concerned. He was shuddering to think what would happen and what would be revealed upon the lifting of the maple leaf. I am not going to address myself to that, nor will I suggest, as one hon. member did, that we might find there the presence of Michael Pitfield. Indeed, I will not say that. I shudder to think what would happen to the *National Geographic* magazine if it were to publish in Canada. I can just see the Secretary of State insisting upon a full page fold-out of his own anatomy.

● (1530)

I have heard very little about the French issue which is now heavily in debt and operating at a loss. On the one hand, the minister says no subsidies by tax benefits, but if the *Digest* is to subsidize the French Canadian issue that is

different. A government subsidy, fine; a *Digest* subsidy, never.

Some ridiculous and restrictive legislation has been introduced by this government and I feel that this bill is a classic example of the type of legislation that is drafted from time to time in a blundering, unthinking fashion. Mr. Speaker, I am having this bill framed, to hang it in my office as an example of how this government serves Canadians, especially our senior citizens.

Has the Secretary of State really addressed himself to the effect that this bill will have on other magazines—magazines such as *MD of Canada*? What does this bill impose upon that and other professional magazines? Let us just deal with *MD of Canada*. This is a controlled-circulation magazine without an assured subscription revenue. Paid circulation magazines might have the alternative of sending non-Canadian editions into Canada for sale to readers. *MD of Canada* does not have that choice, yet it is affected by this bill. Its only source of revenue is advertising. If *MD of Canada*, which is an important medical publication that has been sent to physicians in this country for more than 15 years, ceases to publish in Canada as a result of Bill C-58, the MD concept behind this magazine, the purpose and thrust of it, will be lost and will not be replaced. I say that the Secretary of State has not addressed himself to this concern, Mr. Speaker. He probably has never heard of the magazine.

MD of Canada is not a Canadian edition of a parent magazine; it is neither a split-run edition nor the result of overflow circulation of a parent magazine. It is a fully integrated Canadian medical publication whose editorial content is based upon the MD concept. *MD of Canada* has always purchased all of its mechanical production from Canadian suppliers, typesetting, printing and labelling, mailing—more revenues for the Post Office—and yet what concern, what mention has been made of it by the Secretary of State and those who would support Bill C-58?

By definition, *MD of Canada* is a magazine of medical culture and of cultural medicine. It carries a completely Canadian medical news section. It prepares original features which, when researched, appear along with Canadian medical news in MD, the medical news magazine in the U.S.A., *MD en Espanol* and *MD Pacific*. This magazine reworks editorial material prepared internationally before it appears in *MD of Canada*. It publishes an English edition and a combined English-French edition at no subscription fee; the advertisers pay for this fine magazine.

Physician readers identify strongly with *MD of Canada* for a variety of reasons, not the least of which is the fact that the magazine is researched, written and edited for them. Another reason is that *MD of Canada* is always responsive to the requests of its readers. Thousands of reprints of essays which have appeared in the magazine have been distributed to physicians who requested them, free of charge, yet the Secretary of State would have the magazine expunged from the Canadian market.

The contents of *MD of Canada* are not the same as any other edition of MD, the U.S. edition, the Latin American edition or the edition for the Far East. There is no simultaneous publication of contents in any of the four magazines; all items published in this magazine are especially scheduled and edited for that edition. The magazine plays an important role by serving a numerically small but professional, highly dedicated and important segment of the population and responds to the full range of physicians' interests. Surely it should have imposed upon it this silly, indeed this ridiculous, little bill, C-58.

In the busy, nay, hectic life of a member of parliament, I find that one of my few moments of rest and repose is on the occasion when nature makes certain normal demands upon the nether regions of the digestive tract. It is at those times that I digest the *Digest* and pause and reflect upon the multitudinous follies of the Secretary of State. Surely this government is not—indeed it must not—denying me and the Minister of National Revenue (Mr. Basford) and thousands like us the former condition while aggravating the latter. Mr. Speaker, I unequivocally reject the bill and the premise of the bill.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to have the floor on Bill C-58 because, in my opinion, it is a bill that could have very serious implications for Canadian publications, if passed unchanged.

The bill attacks a magazine that I have been reading for numerous years. I know little about *Time* but I am very familiar with *Reader's Digest*. I feel it is a magazine that is within everyone's reach and that meets very well the requirements of readers, be they English or French Canadians.

● (1540)

Where the Secretary of State (Mr. Faulkner) announced his intention to amend section 19 of the Income Tax Act, I thought it would be a good thing to seek the opinion of my constituents to know what they thought of the bill and the possibility of having *Reader's Digest* cease publishing, because I knew that it was being read by a great many persons.

As a result, I received several replies to the letters that I had sent out. Several of my constituents read the magazine, and 36 per cent replied that they were in favour of it, and consequently against Bill C-58. Only one letter was in favour of Bill C-58, and I realized that the person concerned was ill-informed, since she believed that *Reader's Digest* did not pay any taxes to the Canadian Government or that of Quebec. This is completely false, *Reader's Digest* and *Time* or any other magazine must pay their taxes.

Mr. Speaker, among the letters which I received, I would like to quote a few to the House. The first comes from La Reine, Abitibi:

> Having read the documents which you sent me, I feel that we must keep our magazine even if we have to pay something.
>
> I have based my opinion on three points:
>
> Contribution of *Reader's Digest* to the Canadian economy.
>
> Number of jobs created by the magazine.
>
> And finally *Reader's Digest* has served to unite the Canadian people.

I feel, Mr. Speaker, that those are very important facts which sum up quite well the word of *Reader's Digest*.

From another letter from La Sarre, I quote:

> Needless to say that like most French Canadians, I presume, I would be very unhappy to witness the demise of this monthly magazine of high literary, curtural and moral quality. I just cannot believe there are no other means to favour Canadian publications. In any trade,

competition usually serves to improve service and quality and has always been an excellent incentive.

There is another very interesting thought and much to the point.

In another letter coming, this time, from Amos, I read the following comment:

Really, I deplore this gesture on the part of our governments, because this magazine is very well written, in a clean language. Why would we deprive ourselves of good reading suitable to all ages? Does the government prefer dirty magazines filled with photos of the same quality, which make us feel ashamed only by looking at them on newstands.

Now, this person from Amos is concerned because of the possible disappearance of a magazine like *Reader's Digest* which features articles that can be put in the hands of almost any member of the family, while other Canadian magazines which make us ashamed just by looking at them on the newsstands are allowed to be published. The disappearance of an honest and well written magazine worries those people.

In another letter coming from a Mont-Brun resident, I find another version, another interesting viewpoint:

Here is what I think. *Reader's Digest* is perhaps the only magazine giving almost complete information on sensible issues. Its articles are not solely devoted to murder, rape, violence, sex, etc., and many other wrong food for the mind. As far as we are concerned, we have been receiving the magazine for 22 years. The children read it and we are not worried about leaving that publication in their hands. I know the time spent reading it is not lost.

Mr. Speaker, that is the general tone of the letters I received from my constituents in favour of the continued existence of *Reader's Digest* and against Bill C-58. Indeed, it is an interesting publication that can be read by all members of the family. In many families, the young people find interesting articles and material that help them in their studies. As we know, many of them cannot afford more expensive books. Mr. Speaker, this again is something we must preserve because this publication is useful to both Canadian families and students.

A number of the letters I have received mention that the articles in this publication are so interesting that current issues of *Reader's Digest* are kept for reference, along with past issues which may date back many years.

Well, Mr. Speaker, not only because of the adverse reaction I have received from my constituents, but also for personal reasons, I am against Bill C-58 which I feel would not benefit Canadian publications in any way, but would only serve to jeopardize the cases of a couple of publications which have received, as has been fully demonstrated, the seal of approval from their Canadian readership.

With regard to the figures which have been quoted, I think that we must keep in mind what they mean in terms of the Canadian economy. Let us consider what the contribution of a publication such *Reader's Digest* is. An annual turnover of $30 million—in Canada, not the United States—90 cents out of every revenue dollar being spent in Canada, with a capital investment of $8 million. Land: $557,000; buildings: $2,729,000; and over $4.5 million in machinery and equipment.

We know also that nearly 500 employees in Canada are working at publishing *Reader's Digest*. That magazine patronizes mostly Canadian suppliers, even if some materials or services could be imported from elsewhere more cheaply.

Such an input in the Canadian economy is therefore significant. Perhaps we could find in Canada, if we took trouble to analyse the financial assets of every magazine, some Canadian corporations which are more foreign than *Reader's Digest* is.

As for the contribution to Canadian culture, first of all, the choice, editing or writing of the full content of every issue is done in Canada, whether in English or French. Second, about 80 writers, artists and graphists are working at the preparation of magazines and books published by *Reader's Digest*. We know that *Reader's Digest* does not produce only a monthly magazine, it markets and has marketed a variety of quite interesting, quite instructive and quite well prepared books. And those 80 writers, artists and graphists put out those magazines and books.

Furthermore, 80-odd free-lance writers work for *Reader's Digest* and some 140 Canadian authors saw their articles published in Canadian magazines since 1960 and for some it was the first time a magazine published their work. That too is important.

Mr. Speaker, we know that articles written in Canada by Canadian authors were published in *Reader's Digest* magazines in other countries of the world, and that allowed articles of Canadian origin to be translated into 13 languages and be exported, if I may put it that way, all over the world.

For Canadian authors that too is very significant indeed. So, I think that wanting to deprive Canadian readers, wanting to deprive Canadian authors and workers of a very lucrative source of income, and an equally very eloquent means of expression, goes against the whole Canadian interest.

In conclusion, Mr. Speaker, I must say that *Reader's Digest*—the one I know best of the two magazines involved in that legislation—is very well presented. Again I repeat that it may be put into the hands of all members of the family. With respect to other Canadian publications, I perused a few of them to realize that in a magazine containing barely some twenty pages I found at least 15 pictures of 40-ouncers alongside a glass with ice praising the merits of alcohol coming from English distilleries or imported wines from France, Italy or elsewhere.

Mr. Speaker, considering the quality of a magazine like that I think one must oppose Bill C-58, and allow magazines which proved themselves to continue to exist and serve the Canadian reader.

● (1550)

[*English*]

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I was in this House the day the Secretary of State (Mr. Faulkner) brought in this bill to rescind section 19(2) of the Income Tax Act. Unfortunately, obligations of extreme urgency in Vancouver prevented me from being here to speak earlier. I feel very strongly about the publishing business in Canada since I am a writer and have been involved in it throughout my whole career.

It is a comparatively small industry. It is not strong, except for the newspapers, Maclean-Hunter, publisher of

two majors general interest magazines and numerous trade magazines and a book publisher who I do not think cares for anyone outside of Toronto, certainly not outside the Ontario region. I have experienced this personally. I do not see why members opposite feel it is essential, in this important debate, to attack the Secretary of State personally or his party. This is not a question of personalities or of politics. It is a matter of general public interest, of public concern. The Secretary of State may have misinterpreted the powerful vocal minority out of Toronto as public opinion. That group controls the media and is mistakenly believed to be the voice of Canada. They have tried to dictate public interest to achieve action that will enhance their vested interests, at the cost of two strong and valuable publications. Members on this side, members opposite, and all Canadians in other words, have misinterpreted public opinion because of that vocal minority. Too many Canadians misinterpret this as the voice of Canada. Actually, it is the opinion of a few people who control publishing in this country.

Newspaper publishing in Canada is controlled by three major publishers—FP Publications, Southam, and Lord Thomson who has taken to himself a British title. The publishing of books in Canada seems to be controlled by one or two people who started the organization called Committee for an Independent Canada which has been distorted into a anti-American clarion in this country. It is an embarrassment to me because I do not hate my neighbour who was my friend.

I regret that the Secretary of State is carrying this bill through despite what is really public opinion, the opinion of the people. There are those who claim, in this House, that we who are opposed to Bill C-58 are reacting to "one of the most powerful lobbies" in Canadian parliamentary history. I maintain, conversely, that this bill is here because of a small elitist voice, albeit a very powerful group with great influence—talented—but who would dictate culture for all Canadians out of the east.

An hon. Member: The Secretary of State.

Mrs. Holt: It is not the Secretary of State. The Secretary of State was hearing a voice that is very loud in eastern Canada. We do not hear it as well in the west. In fact, we ignore it in the west because the only national news that many of us get is in *Time* magazine; in other words, objective reporting.

Some hon. Members: Hear, hear!

Mrs. Holt: Toronto in no way reflects the public interest, but the private vested interest of a small group. They are an impressive group that has done good things for Canada. Maclean-Hunter had the money some years ago to put out a news magazine. Why didn't they? I was very much involved in a magazine which started out of Montreal, called *Canada Month*. We worked very hard. We donated our material. I got writers from across Canada. I even found advertisers to try to keep the magazine alive. But it died. The massive advertising that *Maclean's, Chatelaine,* the newspaper could have shared did not go to *Canada Month,* a good young magazine, because the advertisers—in a free enterprise country—chose strong, established vehicles through which to sell their product.

There are two major newspapers in Vancouver. There were three, but the monopoly shared the pot and one was killed. We learned very early in Vancouver that in order to build a new newspaper—and I take it this applies to any city in Canada—you have to be prepared to spend $25 million or more, without return, before becoming viable and getting fully supportive advertising revenue.

Of the vast amount of mail I received, only four letters out of approximately 800 to 1,000—I never counted them—were opposed to the bill. It is apparent that some people think this is a lobby being carried on by the magazines. It is a lobby by Canada's citizens. I must admit it was not until *Reader's Digest* and *Time* told what it meant in simple terms that the public was aware of the meaning of Bill C-58 and what could happen to two very popular publications. They responded. However, I was receiving letters before that.

I read the reports of the Gallup poll released in January. Less than 1 per cent of the Canadian public wants *Reader's Digest* to lose equality with other magazines in this country. *Reader's Digest* and *Time* have been landed immigrants in Canada for 31 years. It is rather strange that after that period the rules of the game are being changed. It is similar to the situation of an immigrant in this country who has developed some roots here, built a home and felt secure as a Canadian, suddenly being told he cannot live here under the same terms.

Reader's Digest, and *Time* to a lesser degree, are the only vehicles for Canadian subjects and Canadian writers to be aired internationally. This gives Canadian writers a chance of a job in an extremely small market. In other words, it is not as easy for Canadians in the publications and allied trades to find a job with *Newsweek, U.S. News, World Report* or other American magazines. If you are an established writer, you might very well find work. It has not been a problem for me in recent years. However, for young people just starting out, they get their first chance from magazines like *Reader's Digest.*

There are those who compare *Reader's Digest* with other American magazines like *Playboy,* which does not have any Canadian content—unless there was one Canadian girl who posed for the centrefold. Those who compare *Reader's Digest* with *Playboy, Newsweek, U.S. News, World Report* and all the others sent here from outside forget that those publications did not offer to set up business in Canada, to provide jobs for Canadian writers, or to recognize Canadian subjects as significant enough for their attention. *Reader's Digest* and *Time* did come here; they did provide jobs, set up plants and send stories by Canadians, on Canadian subjects, around the world. Despite what anyone says, *Reader's Digest* does not have a tax privilege. It is on the same footing as other publications. In a free enterprise country, the advertiser should have the right of choice. I looked at one issue of *Maclean's* magazine. It had about 70 per cent advertising content, this means they are pretty fat and sassy; they do not need any more.

If anyone thinks that advertising lost to *Reader's Digest* and *Time* will go to start other magazines, they are wrong. It will go to these already overstuffed magazines and newspapers. While I was grateful that the newspapers were rich because they could pay me a good salary, they are not suffering. In addition to the newspapers, the ad-

vertising will go to television and radio. On some television and radio stations which have top-flight commentators you cannot even buy time.

● (1600)

The story about dumping is rather an interesting one. Why do we not look at the material which is dumped by way of so-called syndicated material in newspapers—comics, Marmaduke, Ann Landers, and all the rest. It is very cheap to buy these syndicated columns. It is dumping. Despite this, there are thoughtful journalists and some publishers I know who have stated strongly that these two healthy magazines should stay in the country in order that the rest of the magazine industry shall stay strong. It is like bringing in a great department store in the middle of a dying business neighbourhood; it strengthens the whole neighbourhood. The day we build only on the weak and destroy the strong, whether it is people or whether it is the magazine industry, is the day we are doomed.

Some hon. Members: Hear, hear!

An hon. Member: I do not hear many Liberals applaud.

Mrs. Holt: What difference does it make whether it is Liberal or Conservative? Aren't we all here as members of parliament?

Some hon. Members: Hear, hear!

Mrs. Holt: As a matter of fact, I am very tired of this whole concept that speech here is simply a matter of toeing a line. If the only reason you are talking against this bill is because of your politics, then shame on you.

Some hon. Members: Hear, hear!

Mrs. Holt: You should be talking because you care; because you care about the right of the people of Canada to have freedom to read what they want, to advertise where they want.

Some hon. Members: Hear, hear!

Mrs. Holt: I, personally, do not want all-Canadian content. I don't want to see this country one in which we are narrow and uneducated to what is happening in the rest of the world. I am very grateful for the five pages of Canadian news in *Time* and the many human, well researched features in *Reader's Digest* drawn from all parts of Canada. We live on the other side of the mountains, and I believe that if the people from central Canada lived there they would understand what I mean. We don't hear in depth about Newfoundland, Prince Edward Island or Manitoba. We hear a great deal about Ontario and Quebec. All the news across this great country, we do not hear it except in the very condensed, tight, objective reporting that comes to us in *Time*. One column in *Time* is worth a whole page of what is called depth reporting in most newspapers. I am not going to name names. In either case I know, as a journalist, that quantity isn't always quality, nor is it depth reporting.

An hon. Member: Then just sit down.

Mrs. Holt: Oh, you're going to get it! You people have been talking for a long time. I know you did a great deal of talking when I was away—out of necessity.

I love Canada very deeply and I consider myself a patriot. I am not a narrow nationalist, though. I will quote someone who wrote better than I do, because his work survived for the century.

Some hon. Members: Oh, oh!

Mrs. Holt: Speaking culturally. Aldington said, "Nationalism is a silly cock crowing on its own dunghill." Or to quote Einstein, he described it as an infantile disease. Let us hope, like the measles of the world, this will just go away.

But let me talk about money going to *Reader's Digest* and *Time*, and the threat to the life of the magazine industry. Since this tax equality—I call it tax equality because it isn't a tax benefit; there is no special tax benefit given to these magazines—came in, 88 new Canadian magazines have been born and are flourishing with a circulation of over 10,000 each. They have been established in the last ten years. Seventy of them are in English and 18 in French. They have 209 million circulation annually.

The magazine industry throughout the world is a struggling industry. Even *John Bull*, the great British magazine, died. *Look* died in the United States. *Life* died. Why should we, in Canada, contribute to the death of our strong magazines?

Reader's Digest offers opportunities to young writers who will never get a chance to write for a great magazine or get international exposure. Those who write for it do get international exposure. *Digest* receives 6,000 manuscripts a year. They do not return a manuscript without reading it and giving advice to the writer. There are two readers for every manuscript. Thus, they have nurtured young Canadian writers. This is a great public service to one profession in this country.

I can read off this list of magazines which have come into being since tax equality with other Canadian magazines was given to *Reader's Digest* and *Time* ten years ago. It is propaganda to say that the industry has been killed. It is misinformation which is bandied about that the two magazines, *Time* and *Digest*, cream off advertising money which is taking the place of advertising which would be placed in Canadian magazines. People who have the statistics have already admitted this, so I don't need to repeat it other than to say that the information is simply not true and that I can—if necessary—put the statistics on record.

As for the corporate behaviour of the two magazines, I think it has been excellent. I think they have set a high standard. Maybe it is too pure for the swingers in this country, but I feel very strongly that these two magazines have been good corporate citizens; they have followed every guideline of corporate conduct set out by the federal government. In the simplest terms, I would say that *Digest* has done this by having more than 30 per cent of its shares owned by Canadians. Four out of five of its directors are Canadians. What is most important to me is its full-time Canadian staff numbering 455 people.

I worked with the associate editor, Charles Smith, one of the best editors of any magazine anywhere, in my

opinion; and Charles Smith is a Canadian. *Reader's Digest* has already lost one editor because of the job insecurity created by this bill. These Canadians are suffering great trepidation over this whole debate. They do not know whether they are going to have a job when this is done. *Reader's Digest* owns its own presses in Montreal and has done so since 1948. It is now investing $3 million in new printing equipment. Incidentally, in first-class mail revenue alone, Canada will lose $3 million from Digest's operation. It has an editorial, art and production staff of 76 people. In a comparatively small industry, as it is in this country, that number is a good size.

Every word which appears in the French and English issues of *Digest* is edited by Canadians. Articles about Canadian go out from here to 26 international editions, in 13 languages, with a potential readership of over 105 million. I can tell hon. members that long before I came to this place, I worked for them; I made a bit of a living out of writing, and *Reader's Digest* was one market I occasionally used. One story I wrote is one about a Canadian subject, a Canadian man, a western man who this month was named a Good Citizen of British Columbia for 1975 by the Native Sons. He is Ben Wosk, an immigrant who came here and helped to build a great corner of this country. He performed many humanitarian acts. Now he is rich enough to be called a great philanthropist—once he was a humanitarian. In either case, that story has now been printed in three countries, Canada, Holland and Japan.

There was one about Canadian leadership in prison reform started in 1960. The subject, the prison reformer, was Allen J. MacLeod, Q.C. commissioner of Canadian penitentiaries from 1960 to 1969—a non-political person. This story is published in at least two countries this year—Canada and France. The story on Ralph Bunche by Lester Pearson, a great writer and statesman, has been circulated throughout the world. "A Whale for the Killing", by Farley Mowat, has been printed in about 15 countries. Only "One Earth", by Noel F. Bush, has as many printings. These are only a few of the opportunities for Canadians and Canadian subjects. Lester Person's "Golden Opportunity" of August, 1963, was printed in the U.S. and French Canadian editions. That would have gone around the world, I am sure, because of its greatness, except for the fact that there was some contractual limitation.

● (1610)

Time and *Reader's Digest* are very important to westerners. We do not feel out there that *Maclean's*, that alleged national magazine, is truly national. Nor do we feel that Maclean-Hunter Publishing, which is the national publishing company that seems to be giving strong support to this bill, is serving the whole country. It is serving the country in a token way. They deign to give one page to British Columbia. Sometimes they include accounts of westerners in what we call their wrap-up news or features. On occasion they even have one or two British Columbians as special subjects for their magazines.

Maclean's magazine seems to be overly saturated with advertising. If this company had an obligation to this country, it would cut back on editorial advertising to the 35 to 40 per cent limit *Reader's Digest* has imposed on itself. Also, I wish *Maclean's*, the "national magazine", could be a little more honest and objective in its reporting. I suggest that its editorials are slanted. Many of us here, I'm sure, would prefer honest and objective reporting. I know they will probably be annoyed at me and I will never get a chance to write for *Maclean's* magazine again, but that is fine.

An hon. Member: I will see to it.

Mrs. Holt: You are going to see to it; that is fine. As members of parliament—and I do not care whether you sit over there or over here—you know as well as I do that the whole system of parliament has been deliberately held in disrepute. No one knows better than the people in Toronto how parliament works, because they are closer to it. Has anyone ever really seen an objective report in that national magazine about this job, or how hard and conscientiously members of parliament work, or even what they do?

I do not see this matter as a partisan thing at all. I wrote a letter to Charles Smith, who I knew before I came here, a senior *Digest* editor, a Canadian and a very good man, asking him about Canadian content. I like a balance of content or a mixed content. I like to know what is happening all over the world. *Reader's Digest* contains general interest articles on issues that affect us all. Many of them are of universal interest. These articles do not have to be simply Canadian or relate to Toronto or Montreal. Their accuracy in recording universal human issues, touching subjects of interest to people of many parts of this world, is the reason for *Digest's* success. This is the type of thing we should all be interested in, because we are the people they write about.

I wrote and asked Charles Smith last fall about Canadian content—since it seems to be important—and he wrote back suggesting I look at the October current issue, then, of the United States and Canadian editions of *Reader's Digest*. I may say that there is quite a difference, and Mr. Smith admitted that. He stated that our edition contained eight Canadian stories, and he pointed out that four were written by women. That was just to make me feel good, I think. Out of eight Canadian stories there were four written by women. These women were Michele Landsberg, June Callwood, Carolyn Katariya and Lois Neely.

Mr. Smith also pointed out that additional Canadian information had been inserted in articles "Natural Childbirth Comes of Age," "A Breath of Hope for Asthmatic Youngsters," and "How to Make Houseplants Behave." I suppose the latter explains how much Canadians love their houseplants and can make them grow better. I guess that was what he meant by that injection. He pointed out that there were pure American interest subjects that were pitched out, as he said, including "Labor Drives for a Veto-Proof Congress," and Barry Goldwater's "Second Wind," and others. These U.S. interest articles did not get into the Canadian issue, whereas the universal ones did.

The Institute of Canadian Advertising has suggested that we should note that the news and entertainment media are to a large degree international in scope. I cannot understand the great striving for cultural nationalism, especially in a world where we have satellite communication and we are going to the moon, and where we have international conflicts and international co-operation. Why in the cultural field must we keep ourselves in a

corner and cut back on our own associations with the rest of society?

Some hon. Members: Oh, oh!

Mrs. Holt: I ask those questions because you are making this a partisan thing. I am not filibustering, but I do want members to know how I feel about this. I want people here to know that I wish somehow this situation had not occurred; that this bill had not been introduced. Now that it has occurred, I must say I have still a great respect for the parliamentary committee system because it is less partisan than this place. We work on the rules, the laws and the regulations of this country, and we serve our country best through our committees.

I am opposed to this bill and I have made no secret about it. Since it is inevitable that it will go to the committee, I will vote for it on second reading and then do everything in my power—

Some hon. Members: Oh, oh!

Mrs. Holt: I am not going to be a party to any filibuster, but if anything has turned me against this whole thing it is the fact that hon. members opposite have made it such a partisan thing. I am going to join the committee today, and when we study this bill I hope we will together do our best to change it, kill it or do whatever is necessary in committee. I respect the committees of parliament but I do not respect what has happened in this House on many issues.

Some hon. Members: Oh, oh!

Mrs. Holt: This is not the worst; this is one of the minor ones. What worries me most about the situation is that one of the weak parties in this House—so I do not worry too much—has made this into an anti-American thing. They think this is a good way to get at the Americans. Let me repeat what I have heard said; "If we little budgies go after the great American eagle, we are in trouble because she," or he, "can turn"—whichever you want; there is no sexist selectivity in that regard.

This is a time when we are seeing our free democracy being gradually eroded. We are becoming more and more isolated in our freedom. We have seen South Viet Nam go to the communists, and I am sure we will soon see South Korea follow. The Arab states could be picked off just like Czechoslovakia by the Russians. Many European countries and African states have been lost, to totalitarianism. Therefore, we stand alone in our freedom with the United States on this continent.

In conclusion, let me quote from a greater writer and a greater contributor to international literature than myself. That is a man named Shakespeare. In repeating this quotation I have in mind our friends to the south. Shakespeare wrote:

Those friends thou hast, and their adoption tried,
Grapple them to thy soul with hoops of steel—

With those words, I hope we can get on with the work of this House.

Mr. John Wise (Elgin): Mr. Speaker, I welcome the opportunity to participate in this debate today. At the

outset, let me say I am of the opinion that this bill must properly be considered in two parts. Firstly, we have before us the provisions pertaining to television. Allow me to say a few brief words on that subject. The government's plan to disallow advertising write-offs for television when that advertising is shown on American station aimed at Canadians is one that should and must be applauded.

A limited number of Canadian advertising dollars are allotted for television, and to see many of those dollars going to United States border stations in preference to our own Canadian stations has been and is cause for concern. Television stations in southern Ontario, for example, have been adversely affected by the loss of potential advertising revenues for many years due to the unchecked continuance of this most undesirable practice. There is no guarantee, of course, that Canadian advertisers will cease advertising on American stations. Let us hope that it will become and will remain unprofitable for them to do so. I must give the government credit for attempting to adopt a positive approach with respect to this aspect of the legislation. One only wishes the Secretary of State had acted sooner and with more vigour in this regard.

● (1620)

The same positive approach is not evident in the other provisions of this bill; that is, those relating to the tax exemptions now enjoyed by *Time* and *Reader's Digest*. Once again, the government has chosen to tackle a serious problem in a negative manner instead of offering positive assistance to the Canadian publishing industry, particularly to the smaller periodical and book publishers who really need it. The government has, regrettably, chosen to take a backward step and remove privileges from two established magazines, one of which, *Reader's Digest*, has contributed much to the Canadian way of life, and if left to its own devices would surely continue to contribute in a worth-while and responsible manner.

The report of the Royal Commission on Publications emphasized that in an area as vital and sensitive as that of the press, whatever is done should be positive rather than negative, with the goal the promotion of the Canadian periodical, not the suppression of the foreign. We are discussing here solely an amendment to the Income Tax Act. According to a survey of advertising executives in an objective survey conducted, as other hon. members have mentioned, by Canadian Facts Inc., it was determined that the Canadian publishing industry will not benefit substantially from the removal of tax advantages for advertising in *Time* and *Reader's Digest*. Advertisers and their agencies explain that they advertise in search of an audience, not to support a magazine industry. Most of the money diverted from *Time* and *Reader's Digest* would likely go to newspapers, radio and television, they say. A magazine would only receive advertising dollars if and when it could deliver a substantial readership.

In fact, it is estimated that at most only 25 per cent of the revenue taken away from these two publications will find its way into other Canadian periodicals. Of this amount, more than half—or closer to 60 per cent—will go to one publication chain, Maclean-Hunter, which can well exist and prosper as it is now, without it. Indeed, half the advertising revenue in Canada would be controlled by Maclean-Hunter—not exactly a healthy situation in an

industry that can only prosper in an atmosphere of free enterprise and competition.

If the purpose of this bill is for the most part to provide unnecessary assistance to one already established and indeed dominant publication chain, then one could reasonably argue that the bill is to be a successful one. If the change in the law regarding tax amendments is meant to assist the little magazines, those which are struggling to eke out a mere existence, then it is destined to be a dismal failure. The minister has admitted that the smaller, special interest magazines constitute the real problem area. Why, then, does the minister not bring forth legislation that would be of some benefit to them; for they will certainly receive an insignificant amount of dividend from the provisions of this bill, certainly not enough to justify the unfair treatment the government is imposing upon *Reader's Digest* which for many years has been one of our finest and most respected corporate citizens. *Reader's Digest* has contributed much to Canada during the years it has been resident here. It is much to its credit that it will attempt to keep its Canadian operation intact despite the undue hardship that is now being thrust upon it by the terms of this bill.

Every word of the *Reader's Digest* editorial material is edited in Canada by Canadians. The Canadian content of the magazine is about 25 per cent, and rising. This, admittedly, is not an overly imposing figure, but when it is taken into consideration that this material can reach the world's largest periodical audience of some 100 million readers in 13 languages, located in some 100 nations, it can surely be understood that its contribution to the over-all cause of Canadian culture is a positive one. Almost 500 Canadians—496, to be exact—are directly employed with *Reader's Digest*. Over 80 of these are employed in the editorial, graphic arts and illustrative side of the operation, while over 1,000 are indirectly employed through its suppliers. Its operations put more than $11 million into the Canadian economy each year.

Reader's Digest, as well, has done some Canadianizing in recent years. Since 1968 it has sold 32.6 per cent of its shares publicly in Canada and is vigorously striving for a greater proportion of Canadian ownership year by year. The *Digest* does approximately $31 million worth of business annually in Canada and spends at least 90 per cent of each dollar in this country. It has published the work of more than 150 appreciative Canadian writers since 1960, many of whom were appearing in print for the first time. This popular magazine is now faced with a potential loss of two-thirds of its advertising revenue.

If, in spite of their good efforts to continue, the Canadian edition of *Digest* is forced to close down operations, the United States edition will be all that is available to Canadians. This will neither be an effective nor a suitable substitute. French Canadians will be deprived of an edition in their own language, edited by French Canadians, while English Canadians will lose an edition containing some high-quality Canadian content, which—I make this point again—is selected and edited by Canadian editors.

The government has often been brought to task for its failure to respond to the wishes of the Canadian public. On this account it is painfully obvious that this criticism is valid. A Gallup poll released on January 25 showed that less than 1 per cent of the Canadian public wanted *Reader's Digest* to lose its present position in Canada. I believe it is time for the Canadian government to float down from the clouds and realize that because *Time* and *Reader's Digest* make up such a hefty proportion of the Canadian consumer magazine industry, the whole medium would become considerably less attractive if they were to disappear.

It would be far less economical for advertisers to produce ads for the smaller industry. Terminating the exemption as is now suggested could discriminate against Canadian agencies. Both *Time* and *Reader's Digest* depend heavily on advertising from large international companies. If the Canadian editions were to be discontinued, these firms could still advertise in the magazines from their U.S. parents. Since the two magazines would still circulate in Canada, the advertising would spill over to the benefit of Canadian subsidiaries. The U.S. parent would be able to deduct the expense for tax purposes, whereas Canadian firms would not be able to do this. Consequently, foreign-owned companies would benefit from the new advertising rules, thus placing many of their Canadian competitors at a distinct disadvantage.

I submit to you, Mr. Speaker, and to the members of this House that this legislation pertaining to *Time* and *Reader's Digest* is a foolish, misguided and immature attempts at cultural nationalism. What it really amounts to is anti-Americanism more than Canadian nationalism and, even worse, anti-Americanism at the expense of the rights of Canadians. Recent guidelines announced by the Minister of National Revenue (Mr. Basford) that would allow *Time* and *Reader's Digest* a continuance of the tax exemption can only be viewed as an unwarranted and unnecessary use of the power of censorship.

There are many more avenues the government could well travel that would be of much more direct and useful assistance to the Canadian magazine industry than the course upon which it has now embarked. What is required is positive leadership: leadership that would first of all undertake the initiation of data collection in order that publications policy can be formulated on a rational basis as opposed to the "groping blindly in the dark" approach that is so evident from examination of this particular piece of legislation.

Why does Statistics Canada, for example, not collect and collate data related to the publishing field? Perhaps, had the government sufficient information on just what it was becoming involved in, and perhaps were it more aware of the many negative consequences that may result if this legislation is passed, we might not now be considering certain aspects of this bill. Some of the more acute problem areas within the publications industry are readily identified. One is the distribution system wherein 13 of the 14 national magazine distribution firms are American owned and, as such, Canadian newsstands are inundated with overflow American copy. Walk into any drugstore or smoke shop and examine the magazine racks. With the exception of two or three popular Maclean-Hunter publications such as *Maclean's* and *Chatelaine*, precious few, if any, Canadian periodicals will be found against the thickly-stacked rows of American publications, most of them of

an extremely low literary calibre, such as movie and other scandal magazines.

● (1630)

If one turns one's attention to the paperback section of novels, one will again find an almost exclusive American selection of generally low calibre. At least the situation in speciality book stores is somewhat of an improvement. The quality of some American issues is of a somewhat higher calibre, and European and other foreign publications can usually be found as well. Canadian books and magazines are displayed also, but generally in fewer quantities and with little promotion or fanfare.

I am not for one minute suggesting that American and other foreign publications should be prevented from coming into Canada. What I am saying is that a positive stimulus should be introduced to encourage the display, promotion and sale of Canadian books, periodicals and magazines. Why does the government not aid in the organization of a national distribution company in order to ensure the promotion and circulation of Canadian publications? Why is a grant program not introduced that would recognize the peculiar needs of this sensitive industry? Why is more advertising space not purchased in small, speciality periodicals, by the federal government and its agencies? Why cannot the Canada Council's present book purchase program be expanded to include Canadian magazine subscriptions for public and school libraries? Madam Speaker, these questions are crying for answers. Legislation introduced to fill any one of these needs would certainly create a more positive impact on the over-all well-being of the Canadian magazine industry that the misguided provisions of this bill could possibly hope to achieve.

I have one further recommendation to make; one recommendation that I hope the government will see fit to consider. It has to do with the very much to be desired improvement of the postal system today; but I will not linger on that point at this time. I cannot be accused, Madam Speaker, of not offering anything in the way of alternatives to the government. There exists an unlimited number of positive avenues that the government could well choose to travel. Instead, this government and in particular this minister have chosen to negate many of the worth-while contributions of the Canadian edition of *Reader's Digest* and the actual advertising advantages of *Time* Canada in favour of the interests of one particular pressure group.

This legislation will not lighten the load of those who are heavily burdened, the small and struggling magazine and book companies, the dedicated and little published writers who desperately seek avenues of expression for their work. This legislation, Madam Speaker, is another step in the abrogation of the rights of Canadians. It is unfortunate that this bill has been divided into two separate entities, for while I sympathize with the provisions relating to advertising on foreign television, I cannot and will not support the loss of the tax exemption for advertising in *Time* and *Reader's Digest*.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, since the start of this issue—it has been around since I became a parliamentarian in 1968, and before—I must admit that I have had some grave reservations in connection with our particular approach to *Time* and *Reader's Digest*. I have already mentioned my reservations publicly. I must admit that subsequent to my initial reservations I looked into the question more thoroughly than I had a chance to do in the earlier stages, and the background work that I did led me to the conclusion even more firmly that my initial reaction was right. I believe that the bill before us is founded upon very good motivation, namely, a desire to help the Canadian magazine and periodicals industry. I subscribe to anything we could do that would be productive toward that end.

However, I am not one who is in favour of the position that we would adopt which appears to be doing something that I do not think it will achieve and that has some real beneficial result to the Canadian magazine industry. I do not think any loss of revenue that would occur to *Reader's Digest*, *Time* and others would be directed to Canadian publications, and I feel that way quite strongly. I am not prepared to see what I think are perfectly good institutions in this country which may have originated in another country, go down the drain for the sake of some hypothetical principle which in my view will not serve any useful function toward the advancement of Canadian industry or the enlightenment and well-being of Canadians.

So, basically, I have grave reservations. I am prepared, because of my confidence in the over-all committee system of our parliament, to see the bill go to committee. I hope that I will have the opportunity of being a member of that committee, because I intend to do everything within my power to propose amendments to this legislation so it will not have the adverse effects that I fear will occur if the bill goes forward in its present form.

I would like to talk about two or three aspects of this problem. One is in relation to two magazines that I have not heard too much about. One is *Modern Medicine* and the other is *MD of Canada*. Both magazines relate to the medical profession. They are affected by the legislation before us in a way that is totally unacceptable to me. It seems to me that people in the medical profession have the right to information, from whatever source it may come, which would enlighten them and increase their skill and knowledge of the profession. We should encourage that to the maximum extent. I do not think we need some kind of cultural nationalism which would insulate Canadians against the benefits and technological changes and advances, in terms of medical research and practice, that take place around the world. I believe that one of the provisions of this act would very adversely affect these two magazines. I gather that there may even be more magazines affected, but I have only been acquainted with the two I have mentioned. I do not think it is in the national interest, in the interest of the profession or of Canadians generally to see these magazines adversely affected in this way.

The other aspect that I wish to speak about concerns *Reader's Digest*. I know that many hon. members have spoken about *Reader's Digest* in connection with this bill. I feel more strongly about the legislation in relation to that publication than I do in relation to *Time* magazine,

because I think they present different problems. *Reader's Digest* is unique in the sense that it is primarily concerned with the republication of articles that appear around the world. Its very function is the condensation of articles of interest and general enlightenment to people anywhere, and I think the magazine does an excellent job in this respect. But what is important is that I do not think the magazine can meet one of the provisions in the bill, that is, the provision which speaks about being substantially the same as some other publication or periodical that has been published, in order to comply with this legislation.

● (1640)

In this respect, I think there is a great deal of confusion. I have a vague feeling that many members of parliament think that the provision which deals with "substantially the same as" another publication means that a certain issue of *Reader's Digest*, Canada, must relate to a certain issue of *Reader's Digest*, U.S.A., or whatever other part of the world it may be, and if they are not substantially the same for that particular edition, they are substantially different and therefore they could get around this particular provision. In my view, that is not the case because the "substantially the same as "provision, in effect, means substantially the same as any other article published in a multiplicity of magazines, newspapers or periodicals throughout the world. This means that one could take 50 articles out of the December issue of *Reader's Digest* and relate them to 50 other articles in 50 different publications—not by *Reader's Digest*—anywhere in the world, and one would have to conclude, under this legislation, that in fact *Reader's Digest*, Canada, is producing a periodical which is substantially the same as something published elsewhere. In my view, that is an absolute absurdity.

Some hon. Members: Hear, hear!

Mr. Cafik: It has been argued by some—with or without sufficient knowledge, I do not know—that this is not the intent of the legislation. If that is the case, then we should change the legislation to say what we mean and mean what we say, because anyone who knows anything about the British system of justice knows one simple point: the law stands or falls on its own feet and the disposition of the minister or of parliament itself means nothing in terms of the application of the law.

The law must be interpreted by its own words and in no other way. That means the wording of this particular clause of the bill is couched in such a way that in my view no court would have any choice in the matter but to conclude as I have concluded, that "substantially the same as" refers not to an individual publication but to a multiplicity of publications at any point in time. I say that that is not acceptable.

In the same way, a medical journal or any number of other journals could also be caught. Are we in effect saying that we, the Canadian people, have access to all the scientific knowledge in that area? Is it not appropriate that we allow Canadian magazines and publications to reprint articles from Russia which would be of scientific value to our doctors, or from Germany, Britain, the United States or elsewhere? If someone published a publication which was a compendium of all the excellent articles which would be useful to those in the field of medicine, effectively it would be ruled that the edition which contained those articles was in fact substantially the same as the multiplicity of articles which had appeared anywhere in this country or anywhere in the world. I think that is a bad clause and it must be amended.

An hon. Member: Or done away with.

Mr. Cafik: Or done away with if it cannot be amended in order to correct it. Let us for a moment look specifically at another aspect of the *Reader's Digest* question. I think this aspect refers more specifically to *Reader's Digest* itself. I hold no brief for *Reader's Digest* as a corporation per se, except for one thing: I think it has been a good corporate citizen of this country.

Some hon. Members: Hear, hear!

Mr. Cafik: I do not think there is any doubt about that, and surely we ought at least to recognize that good corporate behaviour. Across our country we find many foreign-owned and controlled corporations which could learn a great deal from *Reader's Digest* with respect to the responsibility it has shown and the co-operation it has tried to give to the Parliament of Canada and to the laws of Canada to meet the regulations laid down a few years ago. It has complied with them without any difficulty.

According to statistics, *Reader's Digest* is a fairly significant employer in Canada. It employs 467 people directly in this country. About 1,000 people are indirectly employed on payrolls of other companies doing work for *Reader's Digest*. Their direct payroll is about $4 million per year; the indirect payroll is about $18 million. I hear from people from time to time who are concerned about employment, employment opportunities, and so on. Therefore I do not see why we should dismiss that argument in relation to this particular question because it does affect the livelihood of a considerable number of Canadian citizens. Many of these employees are illustrators, graphic specialists, control specialists, authors, writers, editors, and so on—the kind of people we are trying to protect with this legislation. I think we would be wiping out a great number of them if we were to close down *Reader's Digest* by some arbitrary action of the government.

Some hon. Members: Hear, hear!

Mr. Cafik: In terms of straight capital investment, that magazine has invested over $8 million in plant and equipment. About $3 million of that is comprised of materials or machinery supplied to their suppliers in this country. I think this is quite important. In terms of the *Reader's Digest* English edition here in Canada, the Canadian content, which is composed of articles written by Canadians or about Canada, is now about 25 per cent of each of their magazine publications. That is a pretty significant amount, and I understand that that particular element will be increased to about 30 per cent in 1976 if the magazine is allowed to continue. Canadian content of this amount would match that of Canada's two leading consumer magazines, *Maclean's* and *Chatelaine*, put together. I do not think we should take advantage of *Reader's Digest* because of its willingness to do that kind of thing in this country.

The next point is that 70 per cent of its articles are reprints from other articles either at home or abroad. Only between 40 per cent and 45 per cent of those articles are about the U.S.A. or written by Americans, which means that 55 per cent to 60 per cent of all the articles appearing in the Canadian edition are either on Canadian or international subjects.

I think another point should be made. *Reader's Digest* is not a news magazine like *Time*. In my view it is a magazine which does not in a significant way direct itself to political or news issues but to issues which are people-to-people oriented. They are related to the uplifting of the spirit and perhaps the well-being of man by articles of good example and a whole series of things which in my view are quite wholesome. I see no objection to that, and it would not be in the interests of Canadians for any of us, or all of us collectively, to try to insulate ourselves culturally from that which takes place throughout the world, not in a news sense but in a very human sense. I think we ought to have that kind of opportunity, and any step by a government to limit our access to that kind of international flavour is not really in the best interests of ourselves as a nation or as a cultural people.

Some hon. Members: Hear, hear!

Mr. Cafik: There are many arguments about nationalism which make a great deal of sense, but in terms of cultural or intellectual nationalism they are just a lot of nonsense. I do not accept the principle that because Aristotle was not born in Pickering, where I come from, I should not be reading his works or someone should not be publishing them. I think that intelligence, rational thinking, philosophy, music and art and that sort of thing do not have national boundaries: these are the common heritage of all mankind from wherever they might come.

● (1650)

I should like to consider *Reader's Digest* a little further, Mr. Speaker. On a monthly comparative basis, the Canadian edition of *Reader's Digest* would be approximately 40 per cent different from the American edition. That ought to take it around one of the provisions of the act but, as I pointed out earlier, it does not. There is a significant difference between the Canadian edition in a given month and the American edition in a given month, or in any of the 27 editions of *Reader's Digest* published around the world.

In excess of 50 per cent of the articles written by Canadians or about Canada which appear in the *Reader's Digest* appear in international editions of the *Digest*. I think that is very important because it provides an opportunity for Canadians to have a window on the world or for the world to look into Canada.

One sees articles in *Reader's Digest* about Toronto, Expo, Vancouver, or individuals. I think of one written by an hon. member of this House about a man in Vancouver, Ben Wosk, I found it very stimulating. I suppose I can use the name of the author rather than the name of the riding: Simma Holt has written for this magazine and some of her articles have appeared around the world. I see nothing objectionable in that; I think it is commendable.

Non-Canadian Publications

There is another aspect of the *Reader's Digest* question. It publishes two Canadian magazines, one in English and one in French. In terms of national unity and the development of our nation, I think that type of thing should be commended. Many publishers in this country who are applying pressure to have this legislation passed have not bothered to publish in both languages. I think this is something they ought to practice before they come to the Government of Canada seeking special dispensation from legitimate competition in this country.

When one speaks of competition it raises a question that I think a lot of Canadians do not understand. Some people seem to think that the present law gives preferential treatment to *Reader's Digest, Time, Modern Medicine* and a couple of other publications that is not available to Canadian publishers. As we all know, that is not true, but it is the impression that people have. They want to get rid of the special status of *Time, Reader's Digest* and the others. But that special status has no relationship to anybody who is publishing in Canada. As a matter of fact, they are treated in exactly the same way as anybody else who publishes in Canada, because *Reader's Digest* and the others publish under the conditions laid down for them a few years ago. I think it is important for people to understand that what this bill is trying to do is make sure that they do not have an opportunity to compete in a normal competitive way against Canadian publishers, with the same rules and regulations under which they operate.

The last point I want to make is primarily addressed to the committee that will consider this bill. I suggest they consider some amendments so that the bill does not have the adverse effect that I have mentioned. I think it is not inappropriate that we ask *Reader's Digest, Time* and these other publications to have a majority Canadian ownership. I think at the moment the ownership of *Reader's Digest* is 33 per cent Canadian, and I see no reason why we should not ask them to increase that to 50 per cent or 51 per cent. I think they could live up to that kind of commitment.

The committee should consider asking that we allow an exemption under certain conditions, one being that the firm be majority Canadian-controlled. If a publication is published by a Canadian corporation which is incorporated and registered under federal or provincial law, and is majority-controlled by Canadians, I think it is appropriate that such things as typesetting, plate-making, printing, circulation, advertising, and so on, be carried on in Canada. That should be made a condition for continuing to publish in this country, and they then should have the same tax advantages as any Canadian publisher.

The policies of such publishing corporations must be controlled from Canada, I believe, and I am sure that *Reader's Digest* could conform to this. Editorial direction should be Canadian, although there is one problem here in relation to the copyright law. In light of the fact that *Reader's Digest* is largely a reprint operation, we should make sure that they are allowed to conform to the copyright law in order to protect the authors. At the present time there is a licensing arrangement which is a violation of one of the provisions of the bill before us, and I think we should make sure that the publications are allowed to conform to the normal copyright laws.

In summary, Madam Speaker, I believe that *Reader's Digest* has been a good corporate citizen and a good employer. They have a great deal of Canadian content and are involved in a unique type of publishing, an almost exclusively reprint operation. They could not, therefore, conform to this regulation as it stands, and I believe that should be taken into account. I believe we can impose stricter controls; we can impose ownership requirements, but we must not take the negative step of imposing cultural controls which would deny Canadians access to international information, access to genuine human stories from around the world, in the name of Canadianism. If there is one kind of Canadianism that appeals to me more than another, it is to be found in our heritage, our diversity, our ethnic background. I allude to those things which make up the Canadian spirit. I do not think we will fortify that spirit if we look inward. Rather, let us develop a healthy attitude to things of the mind and spirit, and these are international in character.

● (1700)

Mr. Robert C. Coates (Cumberland-Colchester North): Madam Speaker, being aware of how things are done in the House of Commons and of complaints about the poor quality of debate in this House, I am particularly pleased to participate this afternoon in the debate on the bill before the House. Although Canadians are sometimes under the impression that the standard of debate in this chamber is not high, let me say that speeches made this afternoon should correct that impression. They have made clear what Canadians are, who they are and why this country is unique.

I am impressed by the speeches which have been made today, impressed by speeches my colleagues have made, impressed by the earlier contribution of the Social Credit member, and particularly impressed by the speeches of the two Liberal members who spoke this afternoon. I am particularly impressed by their contribution because I know how difficult it is for government supporters, who are expected to support measures brought forward by their party, to differ from their party. At times it is difficult for Liberal supporters to be as honest and forthright as the hon. member for Vancouver-Kingsway (Mrs. Holt) and the hon. member for Ontario (Mr. Cafik) were this afternoon. That members who are under special constraint should stand up and speak their minds, as those two hon. members did this afternoon, speaks well for parliament. They both deserve the commendation of this House for what they said.

Some hon. Members: Hear, hear!

Mr. Coates: We must thank the government for bringing forward a bill which allows members to speak in this forum about Canada, about what it means to us and how we are to make it a better place in which to live. When you talk about publications and support for the arts, you are talking about culture. Surely our Canadian culture makes us unique, makes us different from those with whom we share the North American continent: it is our culture which makes us different as a people, which makes each and every one of us proud to be Canadian.

[Mr. Cafik.]

If the constituents of the hon. member for Vancouver Kingsway and the hon. member for Ontario had been in the House to hear their elected representatives, they would have been proud of them. No doubt the people in those two constituencies feel much the same as the people in my constituency do on this subject. I can judge my constituents' feelings by the letters they send me. This debate is also good for parliament. It is good to hear members of parliament discussing in a reasoned, realistic, unemotional way something as important to Canadians as this bill, especially, when our credibility has been stretched almost as far as it will go.

About six million Canadians read *Reader's Digest*. That fact alone shows how many people in this country this piece of legislation will affect. This bill, if passed, will endanger the present form of *Reader's Digest*. I, and many who have participated in this debate or will participate, consider this legislation as a danger to the future of *Reader's Digest*. We say that *Reader's Digest* has been a good corporate citizen of Canada since 1943 when it first began its existence in this country. During its existence it has tried to improve its image and become a better corporate citizen. This bill endangers its life, which should concern not only its readers but its contributors. For example, if it were solely a Canadian magazine, contributors might expect a fee between $300 and $400; but when they contribute to an international publication with an international readership, they can expect a fee four or five times greater.

Already a substantial proportion of the *Reader's Digest* sold in this country is Canadian content. Considering the numbers who subscribe to and read the magazine, it touches the lives of more Canadians every month than any other magazine, and, touches them in a wholesome way. *Reader's Digest* is not a sensational magazine; it has not built its reputation on sensationalism but on good, factual reporting and on good writing, which is a worth-while addition to the literature of Canada and the culture of the world.

I shall repeat a number of points already made four or five times by previous participants in the debate. Some things need to be said again and again so that Canadians who read *Hansard* and government members who read *Hansard* will know the effects of the proposed legislation. Let me quote from "Facts about the *Digest's* status in Canada," an article which appeared in May, 1975. It says, among other things:

> The effect of section 19(2) has been to put the *Digest* on exactly the same footing as other publications in Canada by allowing companies that advertise with us to deduct the cost of their advertising on the same basis as any other business expense when computing income taxes. The *Digest* pays corporate income tax at the same rate as other companies; it has no tax advantages that other magazines printed and published in Canada do not have.

Further on, the article says that if section 19(2) is rescinded—

> —it will not remove "special tax privileges" since they do not exist. Instead it will create special penalties which apply to no other *Digest* edition in the world.

We must consider the last point seriously. Let me put on record some other facts concerning *Reader's Digest*. Its economic contribution to Canada is significant. It does $30 million worth of business annually in Canada. At least 90

per cent of every revenue dollar stays in Canada. It employs directly, in its Canadian operation, between 460 and 490 people and provides employment for 1,000 others through suppliers. I could go on and on. The point is that ever since 1943 the magazine here has made a positive contribution to this country. It has become a good Canadian corporate citizen. The Reader's Digest Association of Canada says in a news release:

● (1710)

We are proud of the fact that:

—five out of a board of six *Digest* directors are Canadian

—all of the officers of the company are Canadian citizens

—all 500 of our employees are permanent residents of Canada and the company gives work indirectly to at least 1,000 other Canadians

—our two magazines are fully edited in Canada for Canadians

—we employ some 80 editors, graphic and production staff on our books and magazines

—both magazines have substantial Canadian content, amounting to an annual average of 24 per cent English and almost 15 per cent French

—almost 80 Canadian freelance writers, researchers and artists look to our books and magazines as a market for their work . . .

We have respected Canadians' expressed wishes in many ways. One has been to make some 32 per cent of our common stock available to Canadians through a public issue, the only *Digest* company in the world to do so. Shareholders, of course, bought their stock with the understanding that the company's operations were not under any threat. At the time the stock was issued, we had that assurance from the government.

Surely we are not going to break a commitment we gave this company when they endeavoured to release their stock so that Canadians could purchase it. However, that could well be the effect of this legislation if it is passed in its present form. I again quote:

Despite our record of good Canadian corporate citizenship, we apparently have been tried by the government and found wanting. Surely we can expect to be told what further standards we should meet, with at least a fair opportunity to meet them.

As the hon. member for Ontario (Mr. Cafik) pointed out, when this bill is before the committee it should be given a fair opportunity to meet whatever conditions are possible to allow the company to remain in existence as a Canadian entity with a Canadian edition in both English and French. It is not only important that we give our point of view and that of *Reader's Digest*. We should also put on record what some of our constituents have said to us regarding this legislation. It has been suggested that because *Reader's Digest* wrote their subscribers and asked them to write their members of parliament to make them aware of their personal views about the magazine, this was unfair and should not have been done because it was an endeavour to promote the writing of letters to members of parliament.

Quite often I write my constituents asking their views about various things happening in this country. I only wish that on every occasion I write my constituents I could get a response as overwhelming as was the case with my constituents writing about *Reader's Digest*. I would be very impressed if on some other proposition my constituents wrote in the same way they have written to me about *Reader's Digest*. If the subscribers had not been written to by *Reader's Digest*, many of them would not appreciate how dangerous the situation is, as far as the magazine's existence is concerned, if this legislation is passed in its present form.

I wish to put on record what some of my constituents have written to me. I will not take up too much time of the House. I have some very bright constituents, not just because they have elected me on eight separate occasions but because they produced the Leader of the Opposition (Mr. Stanfield) whom I consider to be the finest man in this nation at the present time, from the leadership point of view. This is what some of my constituents have written to me:

We have always felt that the *Reader's Digest* has had the interests of Canada at heart, has been fair and conservative and a bastion against communism.

For the past 42 years I have been a subscriber to the *Digest* and it is like a friend who keeps me in touch . . .

I am writing on behalf of the magazine that I have taken and read for over 30 years.

We really enjoy this book.

I always look forward to the *Reader's Digest:* I think it should be left alone.

I, too, think it should be left alone.

This is to voice a protest, as loudly and clearly as I can, the government's announced intention that threatens to deny me the enjoyment, relaxation and education which the *Reader's Digest* has provided me over a period of many, many years.

If I lose it, I'll be losing a friend.

To a great many Canadians, that is exactly what will happen. I believe the Canadian people want parliament to guarantee that *Reader's Digest* will be allowed to continue to exist in this nation. They want us to do that in no uncertain terms. Maybe we will have to go down the road a way to find the right set of rules and regulations to govern publications in this nation. Personally, I am not happy about any kind of censorship, and that is what will occur in one way or another: by way of legislation we are determining what people may or may not have a right to read.

I believe there has to be a spirit of compromise on the part of this parliament and the committee that considers this legislation. Amendments will have to be accepted before this legislation is credible. I sincerely hope that all members will look at the legislation, especially with regard to *Reader's Digest*, with this thought in mind: we must be careful not to endanger a Canadian magazine that, as far as I am concerned, is as Canadian as any magazine in this nation. It provides tremendous enjoyment to at least six million people in this country. If that were to happen, it would be a very serious loss. It is something for which parliament will not be forgiven if we act in the wrong way as far as *Reader's Digest* is concerned.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Morin): Order, please. I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-32, an act to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to

regulate the price of Canadian crude oil and natural gas in interprovincial and export trade, with amendments, to which the concurrence of this House is desired.

* * *

[*English*]

INCOME TAX ACT

REMOVAL OF PROVISION ALLOWING DEDUCTION OF EXPENSES FOR ADVERTISING IN NON-CANADIAN PERIODICALS

The House resumed consideration of the motion of Mr. Sharp (for the Minister of Finance) that Bill C-58, to amend the Income Tax Act, be read the second time and referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Bill Jarvis (Perth-Wilmot): Madam Speaker, may I preface my remarks by supporting the sentiments expressed by my colleague, the hon. member for Cumberland-Colchester North (Mr. Coates), when he discussed the quality of the debate and those who have participated in it. I, too, wish to compliment those who have spoken. In particular, I wish to direct my compliments to the hon. member for Vancouver-Kingsway (Mrs. Holt) and the hon. member for Ontario (Mr. Cafik).

I will be completely frank with the hon. member for Vancouver-Kingsway. I was somewhat affronted when she referred in her opening remarks to a filibuster. I say to you, Madam Speaker, that when we as members are recipients of an outpouring of genuine emotion from our constituents, a concern which is not prompted by bigotry or anything else of that kind, and when in consequence we participate in debate at some length, I do not like to think that this falls within the category of a filibuster. Possibly the hon. lady did not intend it that way, and I do not accept that we were filibustering.

● (1720)

This legislation, Bill C-58, will apparently have the effect of preventing *Time, Reader's Digest* and other lesser known magazines from publishing Canadian editions. I know the Secretary of State (Mr. Faulkner) and other government spokesmen have said this is not the effect of the measure. In a technical and legal sense they may be right. However, I prefer to look at the practical rather that the legal or technical results which will flow from this proposal. I have concluded, as I have said, that the result will be the loss of the Canadian editions of *Time* and *Reader's Digest*. Therefore, Madam Speaker, I oppose the bill and will vote against it on second reading as will, I am sure, many other members.

I wish to say at the outset that I am among those who could have been persuaded to support sending this legislation to the standing committee for detailed examination if I had found or if I had been convinced that this new law was necessary, or even desirable, to support certain principles. Again, I would have done so, if there had been more evidence of flexibility on the part of the minister in following a course which in my view is certain prevent the publication of these Canadian editions.

[The Acting Speaker (Mrs. Morin).]

For example, I believe in and would support reasonable measures which would develop and nurture a distinct Canadian culture and identity. I believe in the principle that we should strive for a tax policy regarding periodicals which applies equally to all. Again, I support the principle that the benefits of Canadian advertising revenue should, generally speaking, go to Canadian media. In this area I would add one word of caution, however. I would not want to be a party to legislation which would discourage Canadian industry altogether from advertising in foreign or foreign-owned periodicals, since I can conceive of situations in which advertising in such periodicals might be the only way in which Canadians could reach the audience they needed—in developing new export markets, for example. In general, though, I believe most members support the principle that Canadian tax law should provide an incentive to Canadian business to spend its advertising dollars in Canadian media.

I said a few moments ago that I would not support this legislation. The basis of my disagreement with the Secretary of State concerns the tests or standards imposed to determine whether magazines such as *Time* and *Reader's Digest* qualify to receive the benefits of such incentives. I wish to discuss these tests and standards a little later, but before I do so, and while I am discussing principles, I believe it is only fair to state my opposition to other principles inherent in this legislation.

First, I reject the notion that I must be anti-American in order to be pro-Canadian. I reject the principle that we must punish Americans in order to encourage Canadians. Any bill which is penal or negative in its very nature, such as the one before us, must be subjected to the closest scrutiny. I reject the principle that we should enact this piece of legislation in the abstract without knowing in some detail the nature of the government's over-all publications policy for Canada. All we have to date are some vague hints of what is to come: the use of Canada Council grants, financial assistance for a national distribution service for Canadian periodicals, possible increased advertising spending by government, and so on. This is not good enough; it is too vague and uncertain.

I reject the principle that officials of the Department of National Revenue are best suited to judge what is Canadian content and what is not. I am not prepared to go so far as to say that our tax department would become censors under Bill C-58, but there have been suggestions to this effect from responsible individuals and groups, and considering the source of these suggestions I believe we should be wary of the legislation before us.

Finally, I reject the proposition that in order to guarantee the publication of a Canadian news magazine we must eliminate the Canadian edition of *Time* and that to guarantee the publication of a Canadian news magazine we must eliminate the Canadian edition of *Time* and that to accomplish the latter we must throw *Reader's Digest*. out of the country as well. I have not reached the stage of accusing the minister of this yet The minister seems obsessed, or at least preoccupied, with attending at the birth of a Canadian news magazine or, more properly, of at least two such magazines for it is evident to me that he expects Maclean-Hunter will publish one; and certainly whoever purchases *Time* Canada's mailing list, at what-

ever astronomical cost, would publish a second. I need only refer to some of the speeches made recently by the Secretary of State. On January 24, speaking at Trent University, he said:

Discussions I have had with several people in the magazine industry have led me to believe that if the intent and purpose of section 19 were restored, a Canadian news magazine would follow. I now expect that to happen.

On the previous day, in a statement on motions the minister said:

It is my hope and expectation that this decision of the government will result in the creation of a Canadian news magazine.

At an address given at White Sulphur Springs, West Virginia, the hon. gentleman declared:

No Canadian news weekly could even be born, let alone live, in the face of that kind of overwhelming occupation by a magazine which is produced almost free as far as the Canadian market is concerned.

I would not argue that a Canadian news magazine is not a good thing: it would likely make a significant addition to Canadian literature. I am not yet prepared to say that two Canadian news magazines are twice as good as one. What I do question is the use of tax legislation to accomplish this purpose. I also question the integrity of suppressing two existing periodicals, *Time* and *Reader's Digest*, to accomplish this purpose.

I spoke earlier of examining the tests or standards by which it can be judged whether *Time* and *Reader's Digest* are entitled to continue to enjoy the benefits or incentives afforded Canadian publications. The minister himself has given us some assistance as to which factors to consider in judging whether a periodical is Canadian or not. In an article submitted to Canadian Weekly Newspapers on March 26, 1975, the minister had this to say:

Criteria were established whose purpose was to ensure that only Canadian magazines and newspapers could benefit from special tax advantages allowed to advertizers who use them to publicize their products. The criteria relate to ownership, management, editorial control, printing, typesetting and possible conditions of licensing.

Some of these criteria are, in my opinion, quite acceptable but others do not go far enough in their emphasis on Canadianization. With respect to ownership, the government talks about a figure of 75 per cent. This is simply an arbitrary figure, I suppose—there is no magic in it. I suggest to the Secretary of State that there are other tests of ownership even within the Income Tax Act, and I would be pleased to take part in a discussion of this aspect should the bill reach committee state.

With respect to management, I support substantial control by Canadians at board of director level, though here again I should have thought the measure would have gone further and talked about executive management, not just the members of the board, and required that all of them be resident in Canada. That is the kind of thing I support. General statements about management being Canadian are not sufficient.

● (1730)

Again, I support editorial control but I think it is a great deal more important to support editorial freedom. I am amazed that the Secretary of State has not taken it upon himself to emphasize the independence of editing rather than just the fact that it is Canadian controlled.

The minister talked about printing and typesetting as tests 4 and 5, and this is one area in which I suggest the minister has not gone nearly far enough. Printing and typesetting are two of a number of production functions. What about other production functions in the publishing industry and, what is more important, what about other business functions of the typical commercial enterprise? I think immediately of a circulation department, a payroll department, a bookkeeping department and an advertising department. I am sure there are many others. Surely it is as important to Canadianize these as it is the two small operations of the production department.

In respect of conditions of licencing, which was the final criterion, I have no comment and claim no expertise whatsoever in this area. There is no indication of some other factors which I regard as equally important. I refer to those aspects of editing and publishing which should be independently Canadian as well, devoted to encouragement, not censorship of Canadian content, particularly the export of Canadian content to foreign countries as *Reader's Digest* is so ideally able to do. Let me now say a word about *Reader's Digest*. The Secretary of State and, indeed, the hon. member for Fundy-Royal (Mr. Fairweather) and others have noted the need for a tax policy regarding periodicals which applies equally to all. This is a desirable aim, as I have said before, but in establishing such a uniform policy we must first set standards by which it can be decided who will qualify.

These standards should, I submit, not be so rigid as to exclude categorically publications which have been published here in good faith, which have acted as good corporate citizens and which have hitherto met all standards and guidelines laid down by previous governments. One standard that should be applied is the extent of the corporation's economic and cultural contributions to our country; in short, its worthiness to be considered or to become a full-fledged Canadian citizen.

Of those publications affected, may I join others who have said that it is clear that *Reader's Digest* has advanced furthest along the road to Canadian citizenship, whether the criterion is employment, whether it is public ownership, whether it is Canadian control and direction, whether it is the dollar contribution to the Canadian economy or whether it is the content of the magazine itself.

Other speakers have discussed the economic benefits that accrue to Canada through the *Reader's Digest* Canadian business. I do not minimize this in any way, but I should like to spend a few minutes dealing with the cultural and content aspects. This magazine is essentially a selection of articles from a variety of published and other sources on subjects of wide interest to many people. The articles are acknowledged to be accurate, professionally edited and condensed to a point where they are highly readable, designed so that they will appeal to exceptionally large and diverse audiences and so they will stand the test of time.

These articles, many of them of a consumer or factual nature, others reflecting a variety of viewpoints, do not and cannot represent a unified editorial policy. Nor do they represent news. It is hard to see how such articles, many of them designed to help people with the problems they encounter in their everyday lives or to provide infor-

mation on subjects as diverse as the pyramids and the Stanley Cup, can be regarded as harmful to Canadian culture. Moreover, the evidence shows that the *Digest* is making an actual contribution to the dissemination of information about Canadian affairs, accomplishments and ideas. First, it condenses and republishes articles from Canadian magazines and books, helping to give these articles and their authors a wider audience in Canada. Second, it publishes many Canadian authors of note and many lesser known writers who are making their debut in magazine journalism in this country. Both its fee scales and its reputation with the writers themselves seems to be high. I am reminded here of the remarks of the hon. member for Vancouver-Kingsway this afternoon.

Let us consider a few of the people who have written for or been published in the *Digest:* they include Pierre Berton, Senator David Croll, Morley Callaghan, W. Earle McLaughlin, John W. Holmes, Norman Ward, Trent Frayne, Farley Mowat, June Callwood, Stephen Leacock, Bruce Hutchison and Hugh McLennan.

Third, the majority of these articles are circulated to other *Digest* editions and many subsequently appear in these 26 editions in as many as 13 languages. The example given by the hon. member for Vancouver-Kingsway was excellent. The article written by former Prime Minister Lester Pearson about his United Nations colleague, Ralph Bunche, appeared in 16 foreign editions of the *Digest* and was read by almost 100 million people. No other Canadian communications medium, except perhaps the CBC or the National Film Board, could deliver such a worldwide audience for Canadian matters. If the government had to buy advertising space equivalent to that provided by the *Digest* for its articles on Expo '67, I am informed it would have cost more than $6 million.

There is a fourth and lesser known cultural benefit from the *Digest* magazine activities, which is that the Canadian editions of the *Digest* serve not only Canada but also the English and French-speaking peoples of the Caribbean and a spill-over French-speaking audience in the United States. Any decision taken by this House, therefore, directly or indirectly affects readers in these countries and the Canadian material included in their editions.

Finally, there is a cultural benefit from the book publications of the *Digest*. In the last six years the *Digest* has published such highly praised books as "The Canadians at War", "Canada—This Land", "These People", "In Search of Canada", "You and the Law", and "Explore Canada", the latter being an illustrated travel book describing 1,200 places and communites throughout Canada, published in collaboration with the Canadian Automobile Association.

In sum, these activities add up to substantial value for Canadian cultural enrichment which, I would argue, should be encouraged rather than restricted. It is interesting to note that the standard applied by the foreign ownership review board in assessing what foreign investments are in the national interest is whether the investment is of "significant benefit" to Canada. If this were one of the qualifications for Canadian advertising status established in section 19 of the Income Tax Act, I submit to this House the *Digest* would pass with flying colours.

Finally, I should like to deal with one other aspect of the legislation which causes me more concern than any other

[Mr. Jarvis.]

single factor. It has also been touched upon by the hon. member for Fundy-Royal and others. Indeed, I thought it was touched upon in principle in a very fair manner by the hon. member for Ontario. This is the sensitive question of government regulation of content. The Secretary of State has said there was no intention of introducing a new Canadian content rule or formula for deciding how substantially different a magazine published in Canada must be from one published abroad in order to qualify for section 19. Such a criterion, he said, has been in the act since 1965.

This is true, and I do not question the Secretary of State's desire to stay away from any measure that might smack of government control. But to my knowledge this criterion or clause has not been applied to any major magazine in the ten years since the act was passed. There has, in fact, been no reason to apply it since all the major Canadian magazines concerned already qualify under the act. Now, however, a very different situation prevails. Two major magazines and a number of smaller publications, including some newspapers, may lose their status under the act. Suddenly this clause, in my opinion, takes on new importance.

It is clear that this clause disturbs not only members of this House but a great many other people. The Toronto *Globe and Mail* has repeated several times that such a clause is unacceptable to Canadians. In the May 10 editorial, for example, it was stated:

> Ottawa has a right to define, for income tax purposes, Canadian ownership of a publication, down to the last share if it likes. But once a publication has qualified as Canadian-owned, there the government's power should end, apart from enforcement of laws against libel, breach of copyright and obscenity . . . If no "editorial interference" is to have any meaning it must mean that the editor is free to put whatever he likes between his magazine covers, subject to no restraints or directions of any kind from the government, that no magazine can be ruled un-Canadian because the government finds its contents unsatisfactory.

In the *Financial Times of Canada*, and I hesitate to quote from that because the minister takes great umbrage about whatever it might have to say, we find this comment in the May 12 publication:

> In practice, virtually no publication could have "Canadian" tax status without carrying mostly Canadian content, unless it could afford the astronomical cost of commissioning a lot of foreign material for its exclusive use. And the rest of Mr. Faulkner's speech indicates that is just what he is after. He wants, among other things, to make it harder for "the world view of Canadian readers" to be "influenced by American periodicals." No censor could have put it better.

● (1740)

These are harsh words. But they have been echoed in a dozen or more newspapers across Canada in recent months, from the Halifax *Chronicle-Herald* to the Montreal *Le Devoir* and the Calgary *Albertan*. We cannot, we must not, ignore such comment for it concerns one of the very fundamentals on which this nation's press is based.

I have read many articles, editorials and speeches which deal with the "substantially the same" clause. Regardless of what the Secretary of State has said, surely we must acknowledge that this is a content test, and he who knows it best in the world is the Minister of National Revenue. He knows that if a publication is 80 per cent different there is no problem. He knows, as well, that if it is less than 60 per cent different from its United States counter-

part it will fail to qualify under the act. The Minister of National Revenue knows, finally, that if it is between 60 per cent and 80 per cent different his tax department people will have to examine it very carefully.

I submit that the tax collectors of our country have many other things to do than measure the content of our periodicals. I was interested to hear the hon. member for Ontario agree today that substantially the same clause, in his interpretation of the way it is contained in this legislation, would apply the Canadian edition against all other foreign editions. If I chose to disagree with him, as I believe the Secretary of State disagrees, I would not say we must match the Canadian edition against its United States counterpart. I cannot accept that clause as having any basis whatsoever. I suggest that the servants in our tax departments are not editors or censors, if one prefers to use that name, by their very nature, background, inclination or expertise.

The Secretary of State says this is not a content test. I do not agree. I suggest the Minister of National Revenue does not agree either. I suggest the Minister of National Revenue is very well aware of a decision in our courts in respect of a test concerning words that are very similar. As a matter of fact, if I recall the words correctly, they were "substantially different", which is just the reverse of "substantially the same." I am informed that the conclusion from that particular judicial decision is simply that if it is 80 per cent it is substantially different, and if it is less than 60 per cent it is not substantially different. If it is between 60 per cent and 80 per cent, then one should have a hard look at it. I do not wish to be a party to asking our tax collectors in respect of about 28 publications to see whether they fall below the 60 per cent mark. I think that is an absolutely ridiculous exercise in futility and has nothing to do with the enhancement or preservation of Canada culture.

This test leads to the opportunity of ridiculous editorial decisions. For example, if I were the editor of *Reader's Digest* I would run three or four stories on the 1976 Olympics in the March, 1976, Canadian edition and let the same stories run a month or two later in other editions around the world. Surely this does nothing for Canadian culture or Canadian content. Those stories should run simultaneously in 26 editions of *Reader's Digest* around the world to encourage those readers to come to Canada. I want them to read these articles at a time when they are planning their holidays for 1976. For an editor to have to go through this exercise of holding back stories from editions so that he can escape the 60 per cent or 80 per cent Canadian content test is simply ridiculous. I do not think any party in this House would support that.

The hon. member for Ontario suggested that this provision could be amended in committee. I am not that optimistic. One of the main reasons I shall vote against this bill on second reading is I do not believe this test is capable of being amended. The only thing that should happen to it, in my opinion, is that it be deleted. I do not think the Secretary of State and the Minister of National Revenue know just what is meant by "substantially the same".

To sum up, I suggest that two considerations should be uppermost in our concerns when examining this bill. First, we should consider whether the publications affected by it have proved themselves of significant cultural and economic benefit to Canada, and whether it is just a consequence of the bill that the ground rules under which they operate are changed; changed, moreover, in such a way that they are classed overnight in the same category as foreign publications who have made no attempt nor shown any desire to serve the Canadian purpose. Second, we should be clear in our minds that no Canadian government and no Canadian law should even hint at control or interference in editorial content. The "substantially the same" clause which contains this implied threat should be deleted from the act.

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, even though it would appear that everything has been said that can be said about this shabby attack on the Canadian edition of *Reader's Digest*, I feel that I should make some comments on this bill. I am still getting letters from constituents, all of which support *Reader's Digest*, and I must say that some of the writers have some most uncomplimentary remarks to make about the Secretary of State (Mr. Faulkner). I am sure the minister has been getting letters from his own constituents, and I know he has been getting letters on the subject from most other ridings as well.

Looking over some of the speeches that were made in 1965 when the government of that time brought in the bill to give *Reader's Digest* and *Time* magazine status as Canadian publications, I find that Liberal governments can be pretty inconsistent—not that that is any secret. Member after member on the Liberal side of the House, and some ministers as well, stood in this House and defended the government's move to exempt *Reader's Digest* and *Time* from the bill that removed the special tax status enjoyed up to that time by foreign magazines published in Canada.

At that time *Reader's Digest* and *Time* were called good Canadian corporate citizens. In the ten years since then, both magazines have become even better Canadian corporate citizens, especially *Reader's Digest*. It has been stated over and over again that *Reader's Digest* has an enormous payroll, something in the order of $4 million or $5 million per year, and that the magazine has about 500 Canadians on its payroll. What has not been said, and I have been waiting for the Secretary of State to tell us, is who is going to hire all those writers, editors and artists who will be put out of jobs if this bill is approved by this House.

It is no good saying that *Maclean's*, *Saturday Night* or any of the other Canadian publications will hire them. *Saturday Night* is on the verge of going under again, and right now that magazine is being held together with public subscriptions and donations. *Saturday Night* might be putting even more writers and editors on the labour market, rather than hiring those displaced by the scuttling of *Reader's Digest*.

● (1750)

I think it is interesting to note that on June 15, 1965, as recorded at page 2429 of *Hansard*, Mr. Steven Otto said that *Maclean's*, *Saturday Night* and the *Star Weekly* magazines were in serious financial difficulties. According to some comments that have been made in debate on this bill,

it seems that nothing has changed, in spite of the fact that the tax bill in 1965 was supposed to make everything rosy for those magazines. It was pointed out at that time, and it has been pointed out in recent debates, that freezing out all the quality publications in Canada will not ensure the financial health of any of the publications that will be left. I think Canadians know what they want to read, and I think Canadian advertisers know where they want to advertise.

It is also interesting to note that back in 1965 the government was deluged with letters and telegrams from publishers of Canadian newspapers and other publications, objecting to the government's bill to remove the tax exempt status on advertising on all except Canadian-owned publications. They considered it unwarranted interference by the government into the realm of free enterprise and of freedom of speech and the press. Again I have to say that nothing has changed. The hon. member for Cumberland-Colchester North (Mr. Coates) was active in the debate on the tax bill in 1965 and I think that one of his comments at that time is worth repeating. In *Hansard* of June 17, 1965, the hon. member said, and I quote from page 2550 of *Hansard* of that date:

> No one in his right mind would bring this kind of legislation before the House unless he had an ulterior motive.

I have to agree with that assessment, Mr. Speaker. We have been waiting throughout the debate on this bill for the Secretary of State to tell us just why he brought in a bill to reverse a decision of a previous Liberal government respecting *Time* and *Reader's Digest*. Many of us on this side of the House, and some members of the minister's own party, cannot help wondering if it is simply a move to get revenge for some real or imagined slight. I know that the minister has been accused by some segments of the press of being a do-nothing minister, but this is certainly not the way to prove them wrong. The real victims will be those who want to continue to read the English and French editions of *Reader's Digest* and those people who now work for *Time* and *Reader's Digest*. With the permission of the hon. member for Cumberland-Colchester North I would like to read another of his comments into the record from *Hansard* of June 17, 1965. The hon. member closed his remarks by saying:

> Smarten up; take this legislation off the order paper, and let us get on with the business of the country.

Madam Speaker, many of the other speakers here this afternoon voiced their opinions as well as the opinions of the ordinary constituents who have written them. I have received many interesting letters from people residing in the great riding of Parry Sound-Muskoka. I should like to read one letter from an elderly widow who writes regarding *Reader's Digest*. It reads:

> I believe the time of parliamentarians and our money could be better spent by encouraging Canadian publishers to look for Canadian writers to create text books for all the grades in our school system.
>
> It is beyond belief that any government would be sniping at a magazine of the high quality and excellent content as is the Canadian edition of the *Reader's Digest*. Published in Canada with many Canadian employees, do leave the content to the editors who are doing a superb job. Ignorance of other parts of our world is not bliss but a danger. One has only to look at the results of the long years of suppression of good and wide scope of educational material in the province of Quebec to be appalled at the possibility of so good a magazine as the *Reader's Digest* being put out of business in Canada.

That was from a lady in my own village of Burks Falls. A teacher from Gravenhurst writes:

> To the degree that you can fight this measure to throttle the *Reader's Digest's* availability in Canada you will be expressing my opinion.

I wrote the Secretary of State and included many excerpts from these letters because I could not begin to combine them all, but certainly some of them bear repeating and I think will be well worth reading in *Hansard*. Here are few of them. One person wrote:

> Maybe one day when there is a Canadian publication that can favourably compete with this magazine, there will no longer be a need for *Reader's Digest*.

Another wrote:

> We think it is the best and most reading in it of any magazine that comes to our house.

Another wrote:

> I first became an ardent reader of this fine magazine when I was a soldier overseas in World War II and have received it monthly ever since and never would like to see the day when *Reader's Digest* is no longer available in our home.

Another constituent wrote:

> It is a way of life—one of the few decent, sound publications left in existence.

Then:

> It has been in our home for over 30 years; without it I would feel I had lost a friend.

Another reader wrote:

> None of the "slush and dirt" you read in so many of the magazines today.

Another wrote:

> I don't see much chance of another being produced to its equal, so I'll just quit buying magazines.

Then I received this letter:

> Invaluable to the busy Canadian. Also clean.

Another wrote:

> Why the government would be taking any kind of action to take this material out of our homes is beyond my understanding.

Madam Speaker, I do not know how many of the letters that I have received keep repeating that it is good, clean reading. One reader wrote:

> Hopefully, you could rid us of other trash instead.

Another reader wrote:

> We Canadians in Canada would be poorer in consequence.

And another:

> An influence for good in Canada.

An old age pensioner wrote:

> I am a pensioner and *Reader's Digest* and their books are the only ones I can afford.

Madam Speaker, may I call it six o'clock?

The Acting Speaker (Mrs. Morin): It being six o'clock, I do now leave the chair until tomorrow at 2 p.m.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 5, 1975

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT ADMINISTRATION

SUGGESTION PRIME MINISTER NOT USE GOVERNMENT-OWNED HELICOPTERS TO ATTEND POLITICAL EVENTS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43 to propose a motion of a most serious nature arising from a widely circulated advertisement stating that there will be a breathtaking display of aerial wizardry at a political picnic on Saturday with the Prime Minister in attendance. I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the House requests the Prime Minister to state whether or not the advertised "breathtaking display of aerial wizardry" to occur at a political picnic on the farm of Ontario Liberal leader Robert Nixon on Saturday will consist of the Prime Minister's descent from the sky with three government-owned helicopters at an estimated expense to the taxpayers of $20,000 and, if so, the House requests the Prime Minister in the interests of the proper expenditure of public funds to cancel his tax paid arrival from the heavens in favour of a more proper and worldly procedure.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

PROPOSAL GOVERNMENT MEMBERS CEASE USING GOVERNMENT AIRCRAFT TO ATTEND POLITICAL EVENTS—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Mr. Speaker, I too rise on a matter pursuant to the previous one of urgent and the pressing necessity under the provisions of Standing Order 43. In view of a reported plan to use federal government aircraft to take the Prime Minister to southern Ontario for the express purpose of politicking on behalf of the Ontario Liberal party, and in view of the fact that special arrangements were recently made to detour a government aircraft carrying entertainers for the Canadian armed forces to attend and entertain at a party given by the brother-in-law of the Minister of Justice, who is a candidate in the upcoming provincial election in Saskatchewan, I move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That the Prime Minister and other government members be instructed to cease immediately the practice of using government aircraft for partisan political purposes.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I owe the hon. member for Leeds an apology. On hearing his preamble to the proposed motion I did not take it as a serious suggestion regarding the use of government aircraft. The motion before us does bring into perspective both motions which contain a serious element about the use of aircraft. Therefore, regardless of the gravity or otherwise of the matter, the matter is one on which both hon. members enjoy the right to have the question put to the House as to whether or not the House gives unanimous consent. Therefore I should like it to be considered that I am putting the same question to the House on both motions. Since both motions are put pursuant to Standing Order 43, they cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Beatty: Otto said no.

* * *

● (1410)

[*Translation*]

INDUSTRY

TEXTILES—SUGGESTED RESTRICTION OF IMPORTS—MOTION UNDER S.O. 43

Mr. René Matte (Champlain): Mr. Speaker, I seek the unanimous consent of the House under the provisions of Standing Order 43 to solve an important and urgent problem.

Considering the uncertainty of the small manufacturing industry in the clothing sector, and I have in mind the glove factories of my riding in particular;

Considering it is a labour intensive industry and plays a leading role in the Quebec economy;

Considering that massive imports in the field are slowly destroying the industry and raising the number of unemployed at an alarming rate, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House order the discontinuance of manufactured products imports that are directly competing with our own production.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO SOUTH KOREA—POSSIBLE SUSPENSION OF SALE—ARRANGEMENTS TO ASSURE PEACEFUL USE OF NUCLEAR MATERIAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs, who yesterday indicated that the political and military situation in South Korea today did not warrant a change in the position of the government with regard to the sale of the CANDU reactor. In the face of growing concern about possible renewed military conflict in Korea, is the government prepared to suspend the CANDU sale independently of what kind of assurances can be negotiated on a bilateral basis?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): No, Mr. Speaker.

Mr. Stanfield: Will the minister tell the House just what safeguards the government is proposing to South Korea, and will he admit that while arrangements may be made which will provide adequate inspection, these arrangements will provide no means of preventing South Korea from using, for non-peaceful purposes, plutonium and techniques provided by Canada?

Mr. MacEachen: As I mentioned yesterday, the safeguards which are provided for in the case of South Korea, in a sense, fall into two categories. The ratification of the non-proliferation Treaty by South Korea which stipulates that the total nuclear system of the country will be subjected to international inspection under the international agency. Second, we are negotiating a bilateral agreement with South Korea putting into effect the total range of safeguards which were announced by the Minister of Energy, Mines and Resources, I believe, last December 20. This is the most complete possible range of safeguards available at the present time. The diversion of plutonium or material for non-peaceful purposes is, of course, subject to the examination and inspection system of the international agency, and I am sure it is clear to the Leader of the Opposition that if that occurred, it would be instantly known to the international inspectors.

Obviously a new situation would be created at that point in which the international community would be alerted to this diversion which might be taking place. That is about the best answer I can give to the hon. member, and in reply to the hon. member for Calgary North, it is the best the international community has devised up to the present time. Perhaps the hon. member will be able to improve it at a later date.

[Mr. Speaker.]

SALE OF CANDU REACTOR TO SOUTH KOREA—PROPOSED DEBATE ON SALE OF NUCLEAR MATERIAL

Hon. Robert L. Stanfield (Leader of the Opposition): The Secretary of State for External Affairs has, in effect, conceded that the government of Canada does not contemplate making any arrangements with South Korea which would prevent South Korea from using plutonium and techniques for other than peaceful purposes. All these measures would do would be to assure that this arrangement would become known if the government did that. I put it to the Prime Minister, in light of what took place in India and in light of the moral responsibility that any government has in a field like this, is the government of Canada prepared to proceed with the sale of CANDU reactors in these circumstances with no way of preventing the use of such techniques and plutonium for non-peaceful purposes? Why will the Prime Minister not put this whole matter before the House and the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly put the whole matter in front of the House and the country. Here again, there are seven opposition days before the end of the month and if hon. members find this important enough I will gladly undertake to have all our side participate in debate. I will gladly join in it myself. I think there is a very serious moral problem which is raised by the Leader of the Opposition but there are two sides to it. The other side is whether we can sit on this technology and not share it with the developing countries who have no energy—

Mr. Fairweather: South Korea?

Mr. Trudeau: —and who have an extremely low standard of living. No, I am not talking about South Korea; I am talking about the moral problem of sitting on our technology or sharing it and the rules for sharing it which will be the same whether it is South Korea or an advanced country or a developing country.

Some hon. Members: Hear, hear!

Mr. Leggatt: Then why not give it away?

Mr. Trudeau: These rules that Canada is announcing unilaterally, which were announced by the minister, are the most strict rules of any of the members of the international community.

Some hon. Members: Hear, hear!

Mr. Trudeau: I have personally been raising this subject with every nuclear country or near-nuclear country I have been visiting, asking them to be as strict as we are so that if the hypothesis that is feared by the opposition does occur and we have to cut off our co-operation, then the country that is cut off will not turn around and get it from some other country.

Some hon. Members: Hear, hear!

SALE OF CANDU REACTOR TO SOUTH KOREA—POSSIBILITY OF UNITED STATES REASSESSING DEFENCE COMMITMENT IF USED FOR NON-PEACEFUL PURPOSES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. I am sure everybody in this House would agree with what the Prime Minister said about the moral dilemma.

Some hon. Members: Hear, hear!

Mr. Gillies: The moral dilemma it seems to me, however, would have to be backed up by specific action on an issue as important as this. I should like to ask the minister if in trying to work out an appropriate sanction situation with respect to the sale of the CANDU reactor to South Korea this government has had conversations with the government of the United States, for example, to see whether it would reassess its defence commitments in Korea if it turns out that the government of South Korea does not abide by the bilateral rules on which we are putting so much emphasis and hope in this country?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I think the United States has precisely the same situation as we have in Korea with respect to their reactor.

Mr. Gillies: A supplementary question, Mr. Speaker. I think perhaps the Secretary of State for External Affairs did not hear my question. Has there been any discussion between this country and the United States about the sort of bilateral safeguards that we are putting on? If there is a violation of our bilateral safeguards, do we know whether the United States would be concerned about their defence commitment in that country? Has there been any such discussion between our Department of External Affairs and the state department in the United States?

Mr. MacEachen: Mr. Speaker, we are constantly in touch with other suppliers in this field, but I am sure we have not contemplated the possibility or raised formally with the United States the possibility that South Korea would denounce its bilateral agreement with the United States and with Canada and denounce its adherence to the NPT, all of which is implied in the hon. member's question.

Mr. Gillies: A final supplementary, Mr. Speaker. It seems to me that the government takes a very cavalier attitude.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

SALE OF CANDU REACTOR TO SOUTH KOREA—POSSIBILITY OF IMPOSING ECONOMIC SANCTIONS IF SAFEGUARD AGREEMENT VIOLATED

Mr. James Gillies (Don Valley): May I ask the minister if the government of Canada has made it very clear to the government of South Korea that if there is a violation of our bilateral agreement we will apply specific economic sanctions to that country?

● (1420)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I suggest that what the government of Canada did in the case of India ought to be instructive to the hon. member and to all other countries to whom we may supply nuclear materials.

* * *

ROYAL CANADIAN MOUNTED POLICE

REPORT OF NARCOTICS SMUGGLING RING IN MONTREAL—REQUEST FOR CLARIFICATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Solicitor General. Yesterday, in answering questions about an alleged internal report concerning a narcotics ring operating in the Montreal airport with the alleged assistance of 60 members of the public service, the minister said that he knew of no such report. I am now asking whether he or others on his behalf have communicated with the RCMP officers who are reported to have given a very detailed account of such a report to members of the press, in order to ascertain if there is such a report; and, if so, can he now tell the House if there is such a report?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the two RCMP officers the hon. member referred to are still out of the country, but expected back shortly, and the commissioner intends to communicate with them as soon as possible. Until he has, we do not wish to make further statements on this matter.

An hon. Member: Has the minister not heard of the telephone?

Mr. Brewin: A supplementary question, Mr. Speaker. Does the commissioner, with whom, as I understand, the minister conferred either yesterday or the day before, know of such a report?

Mr. Allmand: Mr. Speaker, until we have all the details of this matter, we do not intend to make further statements.

Mr. Brewin: May I ask a final supplementary question, Mr. Speaker? In view of the great importance of this matter will the minister seek to expedite either the publication of the report or the inquiry and to announce to this House what action is to be taken by way of discipline, if the report was made public prematurely, or by way of prosecution and prevention of this extremely serious organized criminal operation, if that is indicated?

Mr. Allmand: Mr. Speaker, I have already taken steps to expedite the inquiry. As soon as it is completed, I will see what can be said to the House. As I said yesterday, I discussed this matter with the Commissioner of the RCMP and it was felt that for the time being, it would not be in the public interest to say more about this case or the investigation.

[*Translation*]

HEALTH SERVICES

PROVISION OF PUBLIC SERVICE NURSES AT VAL-D'OR HOSPITAL

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

Some years ago, a new hospital was built, larger than the previous one, as requested by the people in Val-d'Or, a community within my constituency. Now that the construction work is over, two floors of the hospital have been closed after the armed forces departure because a number of nurses, the wives of military personnel, had to leave the area. Can the minister advise the House whether the government could lend nurses who are on its payroll to remedy this situation?

Hon. Marc Lalonde (Minister of National Health and Welfare): The reply is no, Mr. Speaker.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REPORT OF NARCOTICS SMUGGLING RING IN MONTREAL—REQUEST FOR STATEMENT ON ALLEGATIONS AGAINST DEPARTMENTAL OFFICIALS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, may I address a supplementary question to the Solicitor General? As we said yesterday, we appreciate that, normally, investigations of such a serious nature are obviously carried out in strict confidence; however, as a story has been printed implicating various officials of various departments, will the minister undertake to make a statement in this House within the next day, and certainly by Monday at the latest, and say either that there are substantive allegations against different officials of various departments, or not, so that if there are no such allegations the cloud hanging over them can be removed?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I agree that this is a serious matter and that it should be cleared up as soon as possible. As I said to the House, certain key figures in this inquiry are still out of the country and the commissioner has not been able to get in touch with them, according to my last notice. As soon as he does, we will make available—

An hon. Member: Is there no telephone?

Mr. Allmand: Apparently some people here know more about the RCMP than the commissioner does. As soon as we get more information, we will give it to the House, if we can.

Mr. Speaker: The hon. member is recognized for a final supplementary question.

[Mr. Allmand.]

REPORT OF NARCOTICS SMUGGLING RING IN MONTREAL—POSSIBLE INVOLVEMENT OF SECURITY AGENCY CALLED SECUREX

Mr. J. P. Nowlan (Annapolis Valley): If it is a final supplementary, Mr. Speaker, it may come in two parts. When the minister reports to the House, hopefully in the very near future, will he advise whether part of the investigation involves a private security agency, I think known as Securex, which was given a contract for security operations at the Montreal airport against the recommendation of the RCMP, although with the personal consent of the then Solicitor General? While I am on my feet, may I ask the Minister of National Revenue how he could state to the House on Tuesday that he was co-operating with the Solicitor General and his officials when obviously the Solicitor General knew nothing about the report?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, when I do report to the House, I will give as much detail as possible. I should point out, and I have done this before, that when there is a criminal investigation underway, if there is enough evidence, charges are laid. If there is not, the matter is kept private to protect those people who might have been under suspicion but against whom there is no evidence in order to protect their civil liberties. We have to respect those guidelines when giving any information to this House.

* * *

FINANCE

POSSIBLE LEGAL IMPEDIMENT TO MINTING OF $100 GOLD COIN—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. Bearing in mind we now have a floating dollar, will the minister indicate if there are any legal impediments to the minting of $100 gold coins, as some have suggested might be done to assist in financing the 1976 olympics?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I was not authorized to give a legal opinion to the House even when I was Attorney General.

Mr. Stevens: Without requesting a legal opinion, but for clarification, will the minister indicate whether, without further legislation and without changing our floating dollar, the governor-in-council is now empowered to authorize the issue of $100 gold coins.

Mr. Speaker: Notwithstanding the change in phraseology, surely the hon. member realizes he is seeking the same kind of information.

* * *

ROYAL CANADIAN MINT

ALLEGED REPORT CONCERNING MINTING OF $100 GOLD COIN

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I will shift my supplementary question to the Minister of Supply and Services. Has the government received a

report from the Royal Canadian Mint in which they review the possibility of minting new Olympic coins which will become part of the regular coinage of the land and, if so, does the report indicate such a scheme will be virtually impossible?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In my opinion, Mr. Speaker, this question concerns policy and should have been directed to the Minister of Finance.

* * *

[*English*]

NATIONAL DEFENCE

USE OF DEPARTMENTAL AIRCRAFT BY PRIME MINISTER TO ATTEND POLITICAL EVENTS—MINISTER'S POSITION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of National Defence. What arrangements have been made providing for the use of National Defence aircraft to the Prime Minister for meetings such as those described by the Prime Minister's special assistant, Peter McGuire, as an old fashioned political picnic at Bob Nixon's farm where the Prime Minister will be demonstrating his support for Bob Nixon?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, if National Defence or any other department can save the time of the Prime Minister, we will be very pleased to do so.

Some hon. Members: Hear, hear!

● (1430)

Mr. Speaker: Because of the particularly sensitive nature of the hon. member's questions, I do not want to restrict them but the House knows that the estimates of the Department of National Defence will be before us, beginning at three o'clock and rather than ask one or two questions the opportunity for extensive questioning about the very subject which the hon. member has raised could be taken; I think hon. members will agree that questioning on this subject ought to be reserved until then.

Mr. Coates: I am sure hon. members will be assisted materially if we can get some factual information from the minister concerning this matter. I think we should know whether the minister endorses the involvement of national defence forces and their equipment in the area of partisan political endeavours. Also, we should know who is going to pay the bill for such endeavours. I suggest that members of this House do not particularly care whether this form of transport is saving the Prime Minister's time or not when he is involved in partisan political affairs.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): It might be fair if I were to attempt to answer this question instead of the minister, Mr. Speaker. The fact is that I am leaving tomorrow morning for two days of travel around Ontario, including a lot of smaller centres which do not have airports at which I would land if I were using the Jetstar as is normally done. Like previous prime ministers I will use public transport to take me to these events.

Some hon. Members: Oh!

An hon. Member: Tell us about the picnic!

Mr. Trudeau: I had better hear the supplementaries, Mr. Speaker, and then I shall attempt to deal with them.

Mr. Coates: I should like to ask the Prime Minister this question: if he endorses the use of government aircraft, especially National Defence aircraft, for political meanderings around the Province of Ontario, is he prepared to make such aircraft available to all party leaders in the House so that they can do the same thing and save themselves time?

Some hon. Members: Hear, hear!

Mr. Trudeau: Not only do I endorse that suggestion but I am practising it—I am practising a custom endorsed by prime ministers long before me, who when they travelled around the country, used public conveyances. It used to be trains and boats; later on it was airplanes, and then helicopters were invented and it was helicopters. I make no apologies for this. If I am expected to visit parts of Canada which are not just big cities with airports, I shall use this means of conveyance.

An hon. Member: To visit Nixon's farm?

An hon. Member: You are breaking our hearts!

Mr. Trudeau: I don't think it is a question of breaking their hearts, Mr. Speaker; I think it is a matter of the votes involved.

Some hon. Members: Hear, hear!

An hon. Member: An old-fashioned picnic!

Mr. Trudeau: If hon. members opposite would look at the trip which is planned, they will find that I am meeting citizens of Canada in many circumstances—in schools, public meetings and shipyards. If I take a few of my lunches with some Liberals I shall be pleased to do so and I make no apologies for that.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): The response of the government members indicates that they are worried that the truth will hurt. The Prime Minister has stated that previous prime ministers used aircraft at the expense of the people of Canada when travelling to political meetings. Mr. Speaker, that did not happen under Mr. Pearson, it did not happen under me and it did not happen—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The issue is simply this: shall the people of Canada pay for partisan activity on the part of the Prime Minister of shall they not? There is nothing wrong with attending meetings but the expense should be

borne by the Liberal Party of Canada, not by the people of Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I am afraid the right hon. member misunderstood what I was saying. I had pointed out that the events I am attending are mostly public events open to the people of Canada. I repeat, I am having a few private meetings with Liberals—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What about the picnic? Is that not a partisan thing?

Mr. Trudeau: The picnic is open to all citizens of Ontario.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: As long as they have a ticket from the Liberal party.

Mr. Trudeau: And to show the spirit in which this trip is conceived, I would invite the right hon. gentleman to travel with me—not in my helicopter, but there are two other helicopters carrying the press. I hope the right hon. gentleman will feel free to come along to the picnic if he wishes.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I thank the Prime Minister for the generosity with which he uses the things of Canada as though they were his own.

* * *

POST OFFICE

REQUEST OF UNION OF POSTAL WORKERS FOR APPOINTMENT OF MEDIATOR TO DEAL WITH EMPLOYEE SUSPENSIONS—MINISTER'S POSITION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Postmaster General. It arises from the request put forward by the Canadian Union of Postal Workers, through Professor Finkelman, for the appointment of a special mediator to deal with the question of disciplinary measures taken in relation to casual workers. In view of the minister's statements to the press about his desire to bargain in good faith, will he now demonstrate his own good faith and tell the House whether he intends to agree to the appointment of a special mediator? If so, will he communicate his agreement on the matter immediately to Professor Finkelman?

Hon. Bryce Mackasey (Postmaster General): I believe the hon. member, whose opinions on industrial relations I respect, is, unintentionally, I am sure, confusing two issues. In the area of collective bargaining on the national level we gladly agreed to the use of a conciliation officer, hoping, of course, that both sides would drop any prerequisites before they began bargaining. The other issue of disciplinary measures in Montreal is a local matter, one which does not require mediation but simply the application of the relevant provision in the collective agreement. This would permit the application of the grievance procedure and the problem would eventually get to Mr. Finkelman or the PSSRB through the logical grievance channels. If this had been done three months ago it would, no doubt, have resolved many of these difficulties.

Mr. Rodriguez: I have always held the minister in great respect and honour, and he knows that well. But these disciplinary measures which he describes as being local to Montreal are not, in fact, local to Montreal; they also affect Fredericton and the Lakehead. The normal grievance procedure is set up to handle disciplinary problems as they arise in the life of the contract and in view of the fact there are more than 1,000 such disciplinary measures being implemented, does the minister not agree they should be considered separately from the present contract negotiations? Would the minister not reconsider his decision and appoint a special mediator to deal with the cases of nearly 1,000 suspended postal workers?

● (1440)

Mr. Mackasey: Mr. Speaker, I would not want to lose the respect of the hon. gentleman, and I say that sincerely. I do feel once again that the suspensions in Montreal have nothing to do with the current bargaining. My only desire is to see that Canadians in this country obtain the type of postal service to which they are entitled, and I am afraid that I would lose his respect far more quickly if I were to bow to blackmail, which I do not intend to do.

* * *

INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. I wonder whether the Prime Minister would be good enough to assure me that on the political trip that he is taking this week-end he will call in on my riding and make an appearance, since his last appearance there a year ago added 1,000 votes to my majority?

Right Hon. P. E. Trudeau (Prime Minister): I am not surprised, Mr. Speaker. If you check the record you will see that in every picture I was in, there was the hon. member crowding the background.

Mr. Hees: Mr. Speaker, it is quite right that I was predominant in all the pictures, and this was because all the people in Prince Edward-Hastings were calling me forward to talk to them instead of the Prime Minister.

* * *

FARM PRODUCTS MARKETING COUNCIL

DATE OF APPOINTMENT OF CONSUMER REPRESENTATIVE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Prime Minister and is on a subject matter that is different from the one on which he has just been

questioned. The Minister of Agriculture stated in the House on October 3, 1974 that a consumer representative and two other representatives of non-farm groups would shortly be appointed by the government to the Farm Products Marketing Council. Last November 14 the Minister of Consumer and Corporate Affairs told a parliamentary committee that he was hoping for a cabinet decision on this within three weeks. Some eight months have gone by since the government's intentions were first stated. Can the Prime Minister now say when these appointments will be announced by the government?

Right Hon. P. E. Trudeau (Prime Minister): I think the point is well taken, Mr. Speaker, and I thank the hon. member for jogging my memory on this. I remember that that was the government's stated policy and I will be discussing with the minister to make sure we pursue it as soon as possible.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ALLEGED DISTRIBUTION TO PRIVATE AGENCIES OF CONFIDENTIAL INFORMATION ON CANADIANS—GOVERNMENT POSITION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to ask the Solicitor General a question.

Following the answers to questions No. 238 dated October 3, 1974, where it was admitted that confidential information was given by the Royal Mounted Police to private police agencies on Canadians declared not guilty before the courts, is the minister prepared to forbid the RCMP from releasing such information to private police agencies on citizens who have not yet been found guilty before the courts?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, very often there are people involved in organized crime who have not been convicted before the court, and police forces exchange information on such people if suspicion is very strong but there is not enough evidence for conviction. I cannot promise the hon. member that I will change this policy.

REQUEST OF SURREY FOR SIXTEEN ADDITIONAL OFFICERS—POSSIBLE FORMATION OF PROVINCIAL FORCE IN BRITISH COLUMBIA

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my supplementary question is for the Solicitor General. Recently the municipality of Surrey requested 16 additional RCMP officers be granted to its jurisdiction. Only four additional officers were granted. It is reported that the RCMP is hesitant about sending more officers to British Columbia because the report is that the provincial government is planning its own provincial police force. May I ask the Solicitor General about this report, whether the information is correct, and if it is, what the target date is? If it is not, in view of the fact that Surrey's police force is undermanned on a per capita basis, would the Solicitor General look into and reconsider this request and grant the 16 officers requested by the municipality?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, to begin with, the deployment of RCMP personnel in British Columbia comes under the jurisdiction of the attorney general of British Columbia. With respect to the other question, we have had no indication that British Columbia is planning its own provincial police force. As a matter of fact, I had some discussions with the attorney general, the deputy attorney general and other legal officers from British Columbia a week or so ago. We are presently negotiating a new contract for the RCMP in British Columbia and in other provinces, and British Columbia gave no indication that they did not want the RCMP. How they use the number of men out there and the number they want to sign a contract for is up to them.

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FARM CREDIT CORPORATION

REFUSAL OF LOANS TO CERTAIN FARMERS—REQUEST FOR RECONSIDERATION OF POLICY

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, my question is for the Minister of Agriculture. It has recently come to my attention that the Farm Credit Corporation has been refusing applications for loans by successful farmers on the basis that they do not need the loans. I would ask the minister whether he will have this policy of the Farm Credit Corporation reassessed, because it should be obvious to the minister that decreasing farm incomes coupled with increasing input costs make it necessary for many farmers to expand their operation in order to maintain their income.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the intent of the Farm Credit Corporation legislation is to lend money to those people who cannot get money any place else. I specifically instructed the Farm Credit Corporation to adhere to the legislation. Those people whose net worth allows them to get money from trust companies and private lending sources should get money in that way. Farm Credit Corporation money should go to those farmers whose financial position is such that they cannot borrow money any place else; these are the farmers we should be helping.

Mr. McKinley: A supplementary question, Mr. Speaker. It seems to me from my discussions with Farm Credit Corporation officials that most applications that come in are from those who either do not have enough equity, in which case they are turned down, or from those whom the minister says probably have too much and do not need a loan. What good is the Farm Credit Corporation if they are not going to do anything for any of the farmers?

Mr. Whelan: Mr. Speaker, the Farm Credit Corporation, since I have been minister, has doubled the amount of money that it has lent and has almost doubled the number of farmers to whom it has lent money per year. It has done a good job. The recent legislation that was passed was specially geared to young farmers between the ages of 18 and 35, and 50 per cent of the loans went to these farmers

last year. More than 50 per cent will be lent to them this year; so far 54 per cent of our budget has been lent.

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EXTERNAL AFFAIRS

ALLEGED STATEMENT BY MR. GÉRIN-LAJOIE CONCERNING PUBLIC ACCOUNT OF CIDA OPERATIONS—PROPOSED REFERENCE TO COMMITTEE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, may I direct a question to the Prime Minister. In view of Mr. Gérin-Lajoie's statement yesterday that CIDA will have to give an account of its actions to the public in greater detail and more often, would the Prime Minister inform us whether or not this means that the Secretary of State for External Affairs will be tabling the Price-Waterhouse study on CIDA management, all correspondence between Ottawa and Kenya involving the Kenyan technical teachers college and the $2 million loan, and confirmation of the information regarding CIDA's loan to Cuba? Was Mr. Gérin-Lajoie announcing policy and will the minister table these matters in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, not having heard the statement I cannot say whether Mr. Gérin-Lajoie had those particular points in mind, but I will ask him to look at it. Perhaps he was thinking of all those exact points.

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker, which I direct to the Secretary of State for External Affairs. I assume that the minister has in fact seen the statement by Mr. Gérin-Lajoie. Because of those statements and by reason of them, can we assume that the minister will now recommend or support the establishment of a committee or sub-committee to study the affairs of CIDA, and in particular foreign aid?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I know that the Standing Committee on National Defence and External Affairs did suggest that it be given a further reference to deal with the general question of international development. I hope that if any such reference is to be forthcoming it will be broad enough to include a consideration of the economic relations between the developing and developed world. It is in light of that particular request that I am considering a reference. I should like the committee to have the opportunity to discuss, consider and report upon the policies that Canada is following in the field of international development, and indeed, if possible, to make proposals on how we can develop a policy with respect to our economic relations with the developing world.

[Mr. Whelan.]

• (1450)

PUBLIC SERVICE

REGIONAL WAGE POLICY IN ATLANTIC REGION—SATIRICAL SKIT BY CANADIAN BROADCASTING CORPORATION—MINISTER'S POSITION

Mr. Leonard C. Jones (Moncton): Mr. Speaker, is the President of the Treasury Board aware of a recent program or skit by the CBC in the Atlantic region portraying in a satirical but truthful manner the regional wage disparity policy being followed by the federal government in respect of certain federal employees in the Atlantic region?

[*Translation*]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, I did not see that CBC skit.

[*English*]

Mr. Jones: Mr. Speaker, will the minister arrange then to get a copy of the tape of this program and listen to it, and after he does will he indicate whether it is his intention to take steps to eliminate the present discriminatory regional wage disparity philosophy followed by the federal government?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have already explained the government's policy in that respect. In certain sectors, some prefer to have regional policies, while in other sectors some would prefer national rates, but I shall ask the CBC for its viewpoint and study it.

* * *

[*English*]

HEALTH

REQUEST FOR RECONSIDERATION OF DECISION NOT TO TEST FOR MERCURY POISONING AMONG NATIVES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, the last time I questioned the Minister of National Health and Welfare we had a discussion about arsenic, but today I want to talk about mercury. In view of the fact the National Indian Brotherhood survey of hair samples in Yellowknife showed one reading of 180 parts per million of mercury in the hair of a ten year old girl, and in view of the fact the minister's department has called 60 parts per million of mercury the "dangerous level", will the minister reconsider his decision not to do further tests for mercury?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am sorry but I missed the last part of the question and I wonder if I could hear it again.

Mr. Speaker: Would the minister reconsider his decision not to conduct further tests?

Mr. Lalonde: Mr. Speaker, I never said there would be no further tests. I said further examinations would be carried out in cases which appeared to be above that level, or where there is any cause for further tests to be carried out.

EXTERNAL AFFAIRS

PROPOSED ESTABLISHMENT OF OIL REFINERY AT EASTPORT, MAINE—POSSIBLE CONSULTATIONS WITH UNITED STATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, according to a news release the New York based Pittston Company on Wednesday received state approval for a proposed $500 million coastal oil refinery complex on the northernmost Maine coast at the fishing village of Eastport. In view of the fact Canadian territorial waters will have to be used to get to this fogbound deep-water port, and the possibility of oil spills which could damage the fishing industry of Nova Scotia and New Brunswick, would the Secretary of State for External Affairs indicate whether there has been any consultation between the minister and his United States counterpart in respect of this particular matter, and has he agreed with U.S. officials to the movement through Canadian waters in order to service this proposed plant?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the Canadian government has taken a very strong attitude in opposition to the movement of such tankers through the Head Harbour passage. The hon. member refers to a decision that is pending from the Maine environmental board. I understand that decision is due in the middle of June. There is some preliminary indication as to what the decision may be. We have already declared our opposition to any such movement of materials, for environmental reasons, but we would want to wait until we see the actual decision before we make further comment.

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[*Later:*]

PRIME MINISTER'S OFFICE

POSSIBLE USE OF GOVERNMENT AIRCRAFT BY PRIME MINISTER'S STAFF IN PREPARING FOR POLITICAL EVENTS—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is to the Prime Minister and is supplementary to an earlier range of questions in respect of which the Prime Minister indicated his intention to use government aircraft for Liberal party purposes. I should like to ask whether government helicopters or other aircraft were used by advance men of the Prime Minister in arranging this particular partisan trip this week-end, or for any of his other recent trips involving partisan functions?

Right Hon. P. E. Trudeau (Prime Minister): As to the question itself, Mr. Speaker, I would have to inquire, but on the qualifications of the trip I wish to remind the hon. member that, as I said in an answer a few minutes ago, the trip involves many events including a visit to a shipyard at Collingwood, a visit to a senior citizens recreational centre in Waterloo, and a question and answer session with students of a high school, I believe in Barrie, as well as a fish fry in Port Dover, to which the right. hon. gentleman from Prince Albert is invited. I think it is quite unfair to ask this type of question based on false premises when all I am attempting to do is bring government a bit closer to the people.

Some hon. Members: Oh, oh!

Mr. Clark (Rocky Mountain): Mr. Speaker, the Prime Minister seems to have missed the display of aerial wizardry, political impediments and other activities at the farm of the Liberal leader in Ontario. I should like to ask him a question regarding policy. Is it the policy of the Prime Minister that his staff should have access to government helicopters or government aircraft to advance trips of his which include on the itinerary activities such as the Nixon picnic, which are clearly and simply partisan political events? Is that the policy of the government of Canada?

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, in so far as the hon. member is so interested in the picnic, I want to tell him that I understand Mr. Nixon is a good farmer in Ontario and I am interested in the farming problems of this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: In a less serious vein, Mr. Speaker, I want to make it clear, and I hope it is not libellous, that I do not know if there is a swimming pool, but I am going there anyhow.

Some hon. Members: Oh, oh!

An hon. Member: He has a manure pile that's for sure.

Some hon. Members: Oh, oh!

Mr. Trudeau: On the question of the advance, Mr. Speaker—

An hon. Member: Be serious.

Some hon. Members: Oh, oh!

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OLD AGE SECURITY ACT

POSSIBILITY OF CHANGE IN ROYAL RECOMMENDATION TO BILL C-62

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to ask a question similar to one asked yesterday by the hon. member for Peace River regarding a problem we find in respect of Bill C-62 and a royal proclamation reference to marriage, whereas in the definition section of the bill there is reference to other than marriage. Has the government extricated itself from this very peculiar situation and, if so, what is its intention?

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, when the House leader of the opposition raised the question I thought he was being humorous, but I find he was not. The problem is that while it would be possible to justify the terms of the royal recommendation in English, since "marriage" has many meanings, including legal marriage and other kinds of cohabitation, I find

when I look at the French version it states "conjoint", which almost surely means legal marriage. My intention, therefore, is to ask unanimous consent tomorrow when the bill is called to an amended version of the recommendation.

* * *

TRANSPORT

REFUSAL OF CANADIAN PACIFIC TO ENTER INTO CONTRACT WITH CANADIAN STEAMSHIP LINES—GOVERNMENT ACTION

Mr. Paul E. McRae (Fort William): Mr. Speaker, would the Minister of Transport consider a strong request to the CNR to enter into a unilateral contract with the CSL to continue the packet steamship business on the Great Lakes in view of the reported refusal of the CPR to continue this vital service, and would he consider a subsidy if necessary to keep the service going in view of its importance and the fact that if the service disappears the Minister of Transport will be forced to supplement the revenue received by several harbour commissions from this vital service?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I would surely, as I have already, support an understanding between CSL and the railways. As far as subsidies are concerned, I think the CTC is the proper organization to decide this. I am very worried about this problem and I am trying to solve it.

Mr. Speaker: The hon. member for Halifax-East Hants rises on a question of privilege.

● (1500)

Mr. Robert McCleave (Halifax-East Hants): I think on reflection, Mr. Speaker, I would like to withdraw it.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Fifth report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Corbin.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I would ask the government House leader if he could give us the business of the House for the balance of this week and perhaps as far into the future as he might be able to see.

Mr. Nowlan: Beyond three o'clock.

[Mr. Sharp.]

Mr. Sharp: Mr. Speaker, may I first of all designate the remaining allotted days. I should like to designate June 9, 12, 13, 17, 18 and 19 as allotted days, pursuant to Standing Order 58.

Tomorrow we intend to call Bill C-62, having satisfied the hon. member that the recommendation will be in good order. Then on Tuesday and Wednesday I would like, if possible, to deal with certain matters that are of considerable urgency. I gather that the Senate has now submitted its amendments to the petroleum administration act. We wish to call that act so as to get it approved quickly. I also hope that in due course we will get the Petro-Can bill out of committee because it is equally urgent.

Mr. Baker (Grenville-Carleton): May I ask a further question with respect to government business? In view of the statement in the early part of the question period, by the Prime Minister, that he would be prepared to take part in a debate on the question of nuclear proliferation and perhaps other aspects of our foreign policy in government time, would the government House leader consider entering into discussion with the other House leaders and taking whatever steps might be necessary so that we could discuss the matter on a day during government business?

Mr. Sharp: As I understood the Prime Minister, he did say that if the opposition would call this business on one of the allotted days, he would be present and so would all those ministers whom the opposition would like to have present, and I stand by that offer.

* * *

FINANCE

TABLING OF FINAL REPORT OF TAX MEASURES REVIEW COMMITTEE

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to the provisions of Standing Order 41(2), and in accordance with my undertaking given to the House on February 19, 1973, I wish to table the final report on corporate tax measures of the Tax Measures Review Committee, in both official languages.

* * *

IMMIGRATION POLICY

MOTION FOR CONCURRENCE IN FIRST REPORT OF SPECIAL JOINT COMMITTEE

Mr. T. Lefebvre (Pontiac): Mr. Speaker, I should like to move the motion on behalf of the hon. member for Scarborough East (Mr. O'Connell). As chairman of the Special Joint Committee on Immigration Policy, he is travelling in the maritimes with his committee.

Mr. Lefebvre (for Mr. O'Connell) moved that the first report of the Special Joint Committee on Immigration Policy, presented to the House on Monday, June 2, 1975, be concurred in.

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

Mr. Alexander: Mr. Speaker, the spokesman for our party on immigration matters is not here; he is also travelling with the committee. I do not wish to hold up this matter, but I think it should be on the record that we earlier pointed out this particular problem to the minister and said that more than likely we will be running into trouble. At that time the minister did not think we would be running into trouble, but I am pleased to note he has reversed himself and now appreciates the fact that this matter is of some significance. It would be impossible to reach a decision by July 31. Accordingly, I am sure that the chairman, for whom I speak, would give unanimous consent for us to proceed, keeping in mind a subsequent date.

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

Mr. Jones: Mr. Speaker, I do not think there has been sufficient study of this report for it to be accepted unanimously.

Mr. Speaker: There is no question of accepting the report unanimously. A motion is made for concurrence in the report. It is a debatable motion and the debate may ensue forthwith; otherwise, the question is put. Is the House ready for the question?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

PROCEDURE TO BE FOLLOWED ON GOVERNMENT ORDERS TODAY

Mr. Sharp: Mr. Speaker, you will recall the confusion that ensued at the conclusion of the consideration of the estimates of the Department of Industry, Trade and Commerce. I wonder whether we might avoid that confusion this evening if an order of the House is made that after the votes on the items of the Department of National Defence are taken, the remainder of the time be devoted to the expression of grievances, on condition that no more than half the time be taken in the statement of the grievance.

Mr. Stanfield: Mr. Speaker, that is quite agreeable to us. I assure you that if any member on this side of the House raises a question of privilege and tries to speak for too long, we will be just as anxious as the government House leader to stop him. We are very anxious to see gentlemen's agreements established in the House and always carried out as agreed upon, which unfortunately has not always been the case.

Mr. Baker (Grenville-Carleton): I rise on the same point, Mr. Speaker. As I understand the discussions which we had, this arrangement was to be for this evening alone. We might consider something else at a later time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are party to this arrangement. I have spoken with my friends further down the aisle and we all agree to it.

Mr. Reid: Do I understand the arrangement to be that half the time will be taken by someone raising a grievance, and the government having the remainder of the time to reply to the grievance?

Mr. Speaker: Can it be taken as agreed that at 9.45 p.m. all necessary questions pursuant to the Standing Order will be put to dispose of the items examined in committee of the whole, and half the time remaining between then and ten o'clock will be used for whatever grievance is raised, while the other half will be absorbed by the response of the government? Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 1,255, 2,425, 2,426, 2,472, 2,497, 2,508, 2,509, 2,510, 2,511, 2,512, 2,513, 2,514, 2,515, 2,516 and 2,517.

Mr. Speaker, would you be so kind as to call starred question No. 2,486?

I ask that the remaining questions be allowed to stand.

[*Text*]

NATIONAL WAGE PARITY FOR GOVERNMENT EMPLOYEES

Question No. 1,255—**Mr. Forrestall:**

1. Which Ministers of the present Cabinet from constituencies in the Provinces of Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island have given public support to national wage parity for government employees since April, 1974 and, in each case (a) what are the locations (b) on what dates?

2. To what effect have these representations been made?

Hon. Mitchell Sharp (President of the Privy Council): 1. The Hon. Daniel J. MacDonald, the Hon. Donald C. Jamieson and the Hon. Allan J. MacEachen endorsed a full examination of existing regional wage policies to ensure a greater equity for all within the Federal Public Service. (a) Halifax, Nova Scotia. (b) June 16, 1974.

2. Treasury Board has the examination of its regional wage policies under continual review.

PLEASURE CRAFT NAVIGATION—OTTAWA RIVER

Question No. 2,425—**Mr. Dick:**

1. Did the Department of Public Works on July 13, 1973, commission Pluritec, Consulting Engineers to do a study on pleasure boat naviga-

tion of the Ottawa River west of Ottawa and, if so (a) have they made a report to the government (b) on what date was the report made?

2. Has the government made any decisions based on the report and, if so (a) what are such decisions (b) on what date will the government release the report (c) how much did the report cost?

Hon. C. M. Drury (Minister of Public Works): 1. Yes. (a) Yes. (b) Mid-March, 1975.

2. No. (a) Not available. (b) No decision has been made as yet on when or if the report will be released. (c) $50,851.

NON-INTEREST ACCOUNTS IN BANKS AND INSTITUTIONS

Question No. 2,426—**Mr. McKenzie:**

1. What is the total amount of money that the government has on deposit in non-interest accounts in banks or other institutions?

2. Which government departments, agencies or Crown corporations have money on deposit in non-interest accounts and what is the total amount of money for each?

3. For what length of time are such deposits being held?

Hon. John N. Turner (Minister of Finance): 1. The total amount on deposit in non-interest accounts in banks or other institutions to the credit of the Receiver General for Canada, at March 31, 1975, excluding public funds in transfer accounts, amounts held by banks and institutions for forwarding and amounts in transit was $158.5 millions.

2.

Crown Corporations	Deposit in non-interest accounts as at March 31, 1975 (thousands of dollars)
Air Canada	4,250
Atomic Energy	1,035
Canada Council	3,234
Canada Department Insurance Corporation	86
Canadian Arsenals Ltd.	327
CBC	11,218
CCC	−588
CN (W.I.) Steam	1
COTC	1,404
Canadian Patents and Development	11
Canadian Saltfish Corporation	273
Cape Breton Development	1,161
CMHC	4,713
Company Young Canadians	147
Crown Assets	986
Custodian	66
Defense Construction	170
Eldorado Aviation	56
Eldorado Nuclear	6,424
FDC	2,015
Farm Credit	12,810
Freshwater Fish	136
National Arts Centre	450
National Battlefields Commission	80
NCC	2,033
North Canadian Power	296
North Transportation Co. Ltd.	370
Pilotage Authorities	111
Seaway International	13
St. Lawrence Seaway	470
	53,758
CNR	29,311
	$83,069

3. These deposits are held for varying lengths of time which are subject to daily fluctuation.

RENTALS FOR RIDEAU CANAL RESERVE LANDS

Question No. 2,472—**Mr. Cossitt:**

With reference to the increase in rents being applied by the Department of Indian Affairs and Northern Development to owners of cottages, dwellings, etc. located on Rideau Canal land, what are the names and addresses of all persons who have been advised of a rent increase and, in each case (a) what was their previous rent per year (b) what will be their maximum rent when the new schedule is fully in effect?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Rentals on licences or leases for the use of Rideau Canal Reserve Lands are established or reviewed under the following circumstances: (a) the term of the current lease or licence has expired; (b) a five year cyclical review of agreements without a specific term; (c) an existing agreement is assigned; or (d) a new agreement is entered into. As any one or a combination of the above opportunities can occur at any time a list of current agreement holders would not remain valid. The rental received by the Crown for the use of Rideau Canal Reserve Lands is considered to be confidential between the lessor and the lessee and as such is privileged information.

*GOVERNMENT OWNERSHIP OF LOWER FORT GARRY

Question No. 2,486—**Mr. Knowles (Winnipeg North Centre):**

1. On what date did the government become the owner of Lower Fort Garry in the Province of Manitoba?

2. How did the government obtain such ownership?

3. Did the government make any payment to the former owner of Lower Fort Garry for this property and, if so, in what amount?

Mrs. Iona Campagnolo (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Mr. Speaker, the response to part 1 is January 17, 1951.

2. The response to part 2 is order in council PC.255 dated January 17, 1951 authorized the acceptance of a transfer of the land on which lower Fort Garry is located from the governor and Company of Adventurers of England trading into Hudson's Bay, commonly called the Hudson's Bay Company. Certificate of title No. 733326, to His Majesty the King, registered January 17, 1951 at the office of the district registrar for Winnipeg refers.

3. The answer to part 3 is that the land was obtained from the company as a gift, free of charge.

INCOME TAX DEDUCTIONS FOR HOMEOWNERS

Question No. 2,497—**Mr. Cossitt:**

Has the government given consideration to allowing mortgage payments on homes as an income tax deduction and (a) if so, what was the

result (b) if not, will the government give immediate consideration to this?

Hon. John N. Turner (Minister of Finance): Please refer to question No. 438 posed by Mr. Jones, October 15, 1974 and replied to by the Minister of Finance on January 29, 1975.

BANK OF CANADA—LOANS GRANTED TO QUEBEC

Question No. 2,508—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Quebec during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Quebec in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO ONTARIO

Question No. 2,509—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Ontario during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Ontario in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO MANITOBA

Question No. 2,510—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Manitoba during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Manitoba in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO SASKATCHEWAN

Question No. 2,511—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Saskatchewan during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Saskatchewan in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO ALBERTA

Question No. 2,512—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Alberta during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Alberta in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO BRITISH COLUMBIA

Question No. 2,513—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of British Columbia during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of British Columbia in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO NEWFOUNDLAND

Question No. 2,514—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Newfoundland during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Newfoundland in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO NEW BRUNSWICK

Question No. 2,515—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of New Brunswick during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of New Brunswick in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO NOVA SCOTIA

Question No. 2,516—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Nova Scotia during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Nova Scotia in the years stipulated.

BANK OF CANADA—LOANS GRANTED TO PRINCE EDWARD ISLAND

Question No. 2,517—**Mr. Caouette (Témiscamingue):**

What was the total loans granted by the Bank of Canada to the Province of Prince Edward Island during the years (a) 1940 (b) 1945 (c) 1950 (d) 1955 (e) 1960 (f) 1965 (g) 1970 (h) 1971 (i) 1972 (j) 1973 (k) 1974 and what were the terms of reimbursement?

Hon. John N. Turner (Minister of Finance): The Bank of Canada has made no loans to the province of Prince Edward Island in the years stipulated.

Order Paper Questions

● (1510)

Mr. Cossitt: Mr. Speaker, I rise on a point of order somewhat similar to one I have raised on two or three occasions without any response whatsoever from the parliamentary secretary. Therefor I think I am justified and it is appropriate that I raise it again. I refer, first, to question No. 32 placed on the order paper on September 30 in this parliament and standing on the order paper in the previous parliament back to a little over one year ago. It is still unanswered. This question asks for information regarding the use of government helicopters by the Prime Minister to travel on April 25, 1974, to the Ontario Liberal Party annual meeting in Sudbury. It is a very simple and straightforward question asking for facts withheld for a year.

The other question I speak about is No. 69, also on the order paper for approximately one year in this parliament and the last, asking for a list of all trips made by the Prime Minister which in any way included political or pleasure trips. This question has also been unanswered for a year.

I think that having now risen three or four times to ask why these questions have not been answered, I am owed an answer by the parliamentary secretary or by the President of the Privy Council, because it is utterly ridiculous when someone asks for legitimate information that a year should go by, and that it should be raised three or four times with absolutely no response from the government. I can, therefore, only say that if these questions are not answered, or if I cannot receive some assurance that answers will be forthcoming, it is a pure and simple case of the Prime Minister trying to hide the number of times he has put his hand into the public cash register.

Some hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, on a similar point of order, I would like to bring to the attention of the parliamentary secretary my question No. 1,283 which was placed on the order paper on January 24. It is a straight forward question simply asking which areas of government make available lists which can be used by commercial firms for direct mail campaigns. I do not think there is anything complicated about it and I am wondering what the reason for the delay in getting an answer might be.

Mr. Speaker: Orders of the day. Pursuant to Standing Order 54, I do now leave the chair for the House to go into committee of the whole.

[Mr. Turner (Ottawa-Carleton).]

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58

House in committee of supply to consider a certain item for the year ending March 31, 1976, pursuant to the provisions of Standing Order 58(9)—Mr. Laniel in the chair.

NATIONAL DEFENCE

Resolved that a sum not exceeding $2,055,173,000 be granted to Her Majesty for the fiscal year ending March 31, 1976 (less the amount voted in interim supply) as follows:

Vote 1—Defence Services—Operating expenditures and authority for total commitments, subject to allotment by the Treasury Board, of $6,452,513,000 for the purposes of Votes 1, 5, 10 and 15 of the Department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $3,834,333,352 will come due for payment in future years), authority to make payments from any of the said Votes to Provinces or Municipalities as contributions toward construction done by those bodies, authority, subject to the direction of the Treasury Board, to make recoverable expenditures or advances from any of the said Votes in respect of materiels supplied to or services performed on behalf of individuals, corporations, outside agencies, other government departments and agencies and other governments and authority to spend revenue, as authorized by Treasury Board, received during the year for the purposes of any of the said Votes—$2,055,173,000.

[*English*]

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Chairman, most of my opposite numbers seem to have disappeared, but I wonder if there have been any arrangements made regarding the time for questions and answers in today's discussion, similar to those made on other occasions.

Mr. McKinnon: Mr. Chairman, it is my understanding that we are to revert to a form of procedure where hon. members have 20 minutes each and are able to rise again if seen by the Chair. These are the arrangements for today only.

Mr. Knowles (Winnipeg North Centre): May I ask whether the 20 minutes allotted to each member includes time for answers from the minister, or what is the plan?

Mr. McKinnon: I would be quite agreeable to that, Mr. Chairman.

Mr. Richardson: Mr. Chairman, my understanding was that we were to have 15-minute speeches and that there would be time within those 15 minutes for questions. It would be a matter of choice for those speaking as to whether they wished to use the full time to talk, or to have questions answered, but either or both would be included within the 15 minutes.

The Chairman: Order, please. Considering what has just been said, I think it might be worth while for hon. members concerned perhaps to get together and come to some agreement, because the interpretations of what has been said by the hon. member for Victoria and by the hon. member for Winnipeg North Centre may not correspond.

If we proceed without any agreement and follow the 20-minute rule, every time an hon. member rises after an

answer, he is allowed another 20 minutes. I would like the committee, if an agreement is made, to let the Chair know when an hon. member will be entitled to seek the floor for the second time. The previous agreement allowed an hon. member to speak a second time if other members from his party yielded to him at one time or another. Otherwise this will be difficult to apply if we have to follow the general rule as laid down in the Standing Orders.

Mr. Paproski: I think the House leaders could meet in this regard while the hon. member for Victoria carries on with his speech. I think that would be the proper way to do it, so that we will not waste any time. I wonder if that is agreeable to all hon. members.

Mr. McKenzie: Mr. Chairman, on a question of privilege, I cannot accept the proposal the minister has put forward, that we have a total of 15 minutes for asking questions and being provided with answers. That would only indicate that the minister does not want a proper examination of his estimates. I hope that when the House leaders meet they will at least allow half an hour for hon. members to make partial speeches and to have proper exchanges with the minister. It cannot be done in 15 minutes.

Mr. Richardson: Mr. Chairman, I was reflecting the practice as outlined to me by the House leader. It is not an invention of mine but it has been the practice previously when estimates have been considered in this way in committee of the whole.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, we could, of course, go out and have a meeting, but that takes time and perhaps one or two of the House leaders would have to be found. Since there seems to be resistance to the idea of cutting it to 15 minutes, and since 20 minutes is the time set out in the rules, I wonder if we could agree on the 20-minute formula, which is 20 minutes to a member, with each member being free to speak for the whole 20 minutes or to divide it between himself and the minister for the purpose of answering questions; in other words, the same practice that we followed last time, except that the allotment would be 20 minutes instead of 15 minutes.

Mr. Baker (Grenville-Carleton): I presume that as far as the hon. member for Winnipeg North Centre is concerned, he is saying that the committee procedure mentioned by Your Honour could still be followed and that an hon. member could yield to another member of his own party. I think that is quite reasonable. As we all know, hon. members do have the opportunity to speak more than once during proceedings in committee of the whole and I think that would be agreeable.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Chairman, to avoid discussing this matter of procedure until dinner time, I believe it would be better to favour a 20-minute period for each speaker. During this 20-minute period, if answers are required of the minister, they will be included within that time. But if a speaker wishes to keep the floor to himself during those twenty minutes, he will be free to do so.

[*English*]

The Chairman: There seems to be at least some agreement at this stage which I will try to sum up and clarify. It appears to be unanimously agreed that an hon. member will be entitled to have the floor for 20 minutes either to make a speech or for the purpose of asking questions. If a member does ask questions, the time used by the minister will be included in his 20 minutes, but the use of this 20-minute time limit will not preclude hon. members from speaking again if their party colleagues yield to them. Is this agreed?

Some hon. Members: Agreed.

● (1520)

Mr. McKinnon: Mr. Chairman, having heeded the Prime Minister's admonition of this past Monday to read Machiavelli, I should like to begin today's debate with a quote from that source as follows:

> There is nothing more true than that if there are no soldiers where there are men it is not owing to any natural or local defect but is solely the fault of the prince.

Some hon. Members: Hear, hear!

Mr. McKinnon: Let us remember this, for indeed the current state of affairs which finds the forces undermanned, overtasked, ill-directed and armed with obsolete equipment is the result of a decade of neglect by the government. Given neither thoughtful direction by cabinet nor the resources needed to maintain an effective, modern force, the Department of National Defence has been allowed to drift to its present state of near chaos.

Canada is not a militarist state. We do not seek to be awesome and feared. Yet an ability to defend one's sovereignty and to fulfil one's international obligations is necessary: it is a prerequisite for even a "just society". Perhaps the Prime Minister would prefer this to be couched in the terms of the classics, and for this I turn once more to Machiavelli, who said:

> Neither abundance of money nor natural strength of the country will suffice, nor will the loyalty and goodwill of his subjects endure. For these cannot remain faithful to a prince who is incapable of defending them. Neither mountains nor lakes nor inaccessible places will present any difficulties to an enemy where there is a lack of brave defenders.

It is tempting, Mr. Chairman, to discuss once again some of the specific problems which plague the armed forces; indeed, such an exposition could be continued for days. However, I will instead discuss broader policy questions for I was particularly struck by a statement which the Prime Minister is reported to have made—a statement to the effect that democratic governments cannot expect the people they represent to support defence policies automatically and without question, and that a continuous challenging of tactics and strategies was necessary for the government to be convinced of their worth and, in turn, for it to be able to convince parliament and the people of the worth of those policies.

It was, therefore, with some eagerness that I awaited the Prime Minister's statement on the NATO conference, for major changes are taking place and extremely important decisions are being made within the alliance. I thought he would perhaps outline the government's position and, at the very least, he would surely acquaint us with the issues

as he saw them and encourage a dialogue. I was to be disappointed. I use the words of the member for Oshawa-Whitby, who said:

On the question of NATO and the role Canada is to play in NATO, we got absolutely nothing from the Prime Minister.

Given that the Prime Minister and the Minister of National Defence are unwilling to discuss the current strategic and military situation internationally or within NATO, I feel that it is my duty to give the report that the Prime Minister should have given on Monday and raise this subject in the hope that it will provoke greater discussion of the decision which Canada must make soon with respect to its defence policy.

The past two years have brought great changes in the military situation in many areas of the world. The Yom Kippur war, the ensuing oil embargo and price rise, all have drastically altered the economic situation and consequently the military situation in the Middle East. The seemingly eternal war in Viet Nam seems now to be over. Cyprus has been invaded by Turkey, bringing Turkey and Greece to the brink of war. Finally, Portugal has begun to divest herself of African colonies. These events have not been without their internal causes and repercussions, but more of that later.

The diplomatic scene, too, has been far from quiet. The Strategic Arms Limitations Talks—SALT—have resulted in an initial agreement; the conference on security and co-operation in Europe seems about to produce some accords; talks between Arabs and Israelis continue sporadically. While the age of détente may seem to be upon us, let us not delude ourselves that the world is as we might wish it to be. Consider, for example, this assessment by the Stockholm International Peace Research Institute:

SALT and certain other arms control measures have, of course, had very important, far reaching political consequences. In particular, they have significantly contributed to the improvement of relations between some states. But, in general, they have not produced any actual disarmament, nor have they even stopped the arms race.

There are two observations to be emphasized from this statement: firstly, we are in, and are likely to remain in, an era of a balance of terror, one of mutual assured destruction capabilities; secondly, the relations between states and their perceptions of each other's intentions are very important. On this latter point, let me give an example from the structure of forces in Europe. On the NATO side there is widespread concern over the very offensive disposition of the Warsaw Pact troops, a concern heightened by the latter's overwhelming superiority in armoured forces. On the other hand, the Warsaw Pact must be concerned with NATO's reliance on quick reaction aircraft as they are very vulnerable to a pre-emptive attack and, therefore, must be perceived as rather offensive weapons themselves. This intense interest with intentions and capabilities may seem abstract and academic, but in our nervous world it is, quite literally, of deadly importance.

Let us now turn for a moment to see just what the specific outcomes of the strategic agreements have been. The first meeting, the Strategic Arms Limitation Talks—SALT I—resulted in an interim agreement signed in 1972. Generally speaking, it froze the holdings of intercontinental missiles, but not warheads, at 1,054 for the United States and 1,618 for the U.S.S.R. The number of submarine-launched ballistic missiles, or SLBMs, was likewise frozen at 656 for the United States and 740 for Russia. You will notice that Russia was higher in both cases. The SLBM levels were raised later, however, owing to an ongoing U.S.S.R. submarine building program, to 710 missiles on 44 submarines for the Americans and 950 missiles for the U.S.S.R., on 62 submarines.

[Mr. McKinnon.]

In brief, the United States agreed to superior numbers of heavier missiles for the Russians; this was because the United States held a technological lead in the production of multiple independently-targeted re-entry vehicles, or MIRVs, which in plain language means a missile with several warheads.

The next agreement was the Vladivostok agreement of last November. This new agreement limits each side to 2,400 missiles or heavy bombers, of which 1,320 can carry MIRVs. It is my feeling that the Vladivostok agreement, while it sets numerical ceilings on the strategic arms levels, has several serious faults: first, the restriction is on numbers and not on qualitative developments; second, the limits are too high by far. Moreover, many major problems were ignored: for example, the identification of MIRV missiles cannot be done with current surveillance methods. No one will be able to tell whether any country has exceeded the limit of their MIRV missiles. Finally, the omission of the Russian "backfire" bomber, cruise missiles, strike aircraft, bomber standoff missiles and IRBMs from the list indicates how much further the negotiations must go.

Due to the lack of a qualitative ceiling, the Russians are at present flight testing four new missiles. The U.S.S.R. has always had an advantage in weight per missile, and it is estimated that if the new missiles are all deployed the U.S.S.R. would have a "throw weight" advantage of five or six to one; that is, ten million to twelve million pounds for the Russians to two million pounds for the United States. This possible imbalance caused President Ford to indicate that they might try to develop a new rocket motor technology in an attempt to catch up.

I believe that civilization's best chance for survival is for these two superpowers to remain fairly equally balanced militarily. In the short term and over the intermediate term perhaps we can talk them down from the over-arming of the recent past. The limitations imposed by SALT I and Vladivostok are, at best, only a start.

Turning from the global strategic situation, let us now look at the European theatre and in particular at the political pressures within NATO. Over the course of the past few years the relations between NATO states have shifted dramatically. The most obvious example is that of Turkey and Greece; set off by the events on Cyprus and fueled by disagrcement in the Aegean, the discord between the two has reached a point where it threatens the very existence of NATO's so-called "southern flank".

● (1530)

There has also arisen a basic difference in attitude between the United States and France. President Giscard seeks to be a bridgebuilder between industrialized, oil consuming Europe and the OPEC group as well as other third world producers. President Ford, in contrast, has sought a common front of industrialized oil consumers to

exert joint pressures on the producers. In this pursuit, the Americans have tended to see NATO as an economic as well as a military alliance that should strengthen the western position.

Tensions and uncertainties have also arisen because of changes within certain countries. Perhaps the most important changes are being made within the United States where, occasioned by the collapse of the South Vietnamese régime, a reassessment and debate on basic external policy issues seems to be starting. This debate will certainly be important to NATO simply because of the predominant role which the U.S. plays in the alliance.

Forced to do so by her economic plight, Britain has decided upon a substantial reduction in her armed forces and on a withdrawal from the Mediterranean. This will, like the Turkey-Greece dispute, seriously affect the southern flank, although a recent Italian decision to strengthen her navy may offset the British action to some degree.

Finally, and again on the southern flank, there is Portugal. After decades under a right-wing dictatorship, the majority of the Portuguese people are now trying to establish a functioning democracy. We who have been blessed with democracy for a century—I consider that 1867 to 1975 is more than a century—may not realize how difficult this is. There is the very real possibility that the attempt at democracy will fail and end in left-wing dictatorship. This would be tragic, just as a lapse back to right-wing dictatorship would be tragic.

I was pleased to see that the government has invited a Portuguese mission to Ottawa to discuss bilateral trade arrangements. Anything which Canada can do to strengthen the democratic forces in Portugal is to the good. While in narrow military terms the changes in Portugal add uncertainty to the NATO picture, we must accept this and try to show to the Portuguese people that NATO can be a beneficial economic as well as military organization and that it encourages democracy. In summing up the Portuguese situation, I will quote from an editorial in the Edmonton *Journal*: It says:

> Let Portugal sort out her own internal affairs and work out her own destiny. NATO will be better off with a healthy relationship with whatever new Portugal emerges from the present upheavals, than tied to the forces of reaction and repression that have inevitably provoked their own unpopularity and downfall.

With the conclusion of this brief examination of some of the recent political trends in NATO, I will now turn, Mr. Chairman, to more direct military questions. Just at the time when the developments on the southern flank threaten the viability of NATO as a regional alliance, an unprecedented and particularly worrisome disparity in armoured strength has developed between NATO and the Warsaw Pact countries. According to the International Institute for Strategic Studies, while the figures for northern and central Europe are, NATO 620,000 troops versus Warsaw Pact 910,000, in main battle tanks the figures are, NATO 7,000 versus Warsaw Pact 20,000.

It has been the custom over the past three decades to console ourselves in the face of these odds by remembering the nuclear deterrent; that is, if the U.S.S.R. attacked our numerically inferior forces on the ground in western Europe, then we would use tactical nuclear battlefield weapons. This has always seemed to me to be a very unsatisfactory answer. I have never been able to convince myself that the use of atomic weapons can be restricted to narrow military battlefields. While the first nuclear weapon might be used on a troop concentration, the next one is as likely to be used on a staging area, and so on, until within hours Washington and Moscow are targets and the holocaust is upon us.

I am certain that I have not been alone in my concern about the practicality or sanity of the atomic deterrent being our only deterrent in western Europe. We have seen NATO progress from the original "trip-wire" theory to the "flexible response", and to "selective targeting" where the targets would be military installations rather than cities. This is supposed to give the President of the United States a broader range of options than existed previously, provided of course that he is still around after the other side exercises its option.

The use of battlefield nuclear weapons has become an important issue of debate within NATO itself. Senator Nunn's amendment in the U.S. Senate requested the U.S. department of defence to examine and justify the 7,000 nuclear warheads in western Europe—the U.S.S.R. in comparison, is thought to have between 3,500 and 7,000. The basic quandary remains unchanged, however. A strong deterrent position on the part of the United States gives their NATO allies a false sense of security and they immediately react by reducing their conventional forces. On the other hand, any evident lack of resolve to use the deterrent encourages the only possible enemy and arouses European fears that the strategic support of the United States would evaporate under the pressure of all-out nuclear confrontation.

Mr. Schlesinger is a strong supporter of "essential equivalence." He has pointed out:

> Deterrence is not a substitute for defence: defensive capabilities, representing the potential for offensive counteraction are the essential conditions of deterrence. This simple truth becomes especially evident in a crisis, when forces designed only for "deterrence" are increasingly found to be lacking in credibility both to opponents and to potential users.

This question of the credibility of the deterrence is crucial. As long as we rely solely upon a nuclear deterrent, any aggressor whose objectives are limited can delude himself that his aggression will not provoke a nuclear response. A capability for a balanced and suitable reaction to a wide range of situations is the keystone of any reasonable defence policy.

Given that an effective NATO capable of responding to many different situations is a necessary part of western European stability and, hence, of Canadian security, two questions should be asked of the Canadian involvement. First, are we doing our share in NATO? Second, is the money Canada is spending being used wisely? Our share in NATO, it would seem to a fairminded person, should be based on our resources and our ability to commit them. On examination one finds that our military budget, based on percentage of our GNP, comes in twelfth out of 13, being ahead of tiny Luxembourg only. We are seen to be a wealthy nation acting as the cheapest skate in NATO.

As for the wisdom with which the money is spent, NATO as a whole leaves much to be desired in the way of economic husbanding of funds. A recent study commis-

sioned by the U.S. Senate, the Callaghan report, points out that NATO has wasted something over $20 billion by failure to standardize equipment or to co-ordinate research. A lack of standardization in communications equipment can be dangerous as well as expensive. During a recent NATO exercise in the north Atlantic, the simulator read-out at the end of the exercise showed that NATO forces had shot down 30 of about 60 of their own aircraft deployed for combat, patrol and interdiction, largely due to the communications problem.

The cost of nationalism can be high. Britain decided to buy the U.S. Phantom but to put a Rolls-Royce engine in it. According to the chairman of the British House of Commons public accounts committee, if the development costs amounting to some £100 million are taken into account, the unit cost of the 170 United Kingdom Phantom aircraft becomes nearly double that of the U.S. version and does not perform as well.

Canada must assume her share of the responsibility for decision-making in NATO. Canada researched and developed the Arrow, the Bobcat and the Bras d'Or without a production run on any of them, which exemplifies the lack of careful selection of projects and the lack of direction and resolve that characterizies this government's approach to defence policy.

Mr. Chairman, I have, as I stated at the beginning, attempted to present to the House and to the Canadian people, as a background for debate, the current strategic situation as it faces NATO and Canada. It is the government's unwillingness to take the people of Canada into their confidence on any but the most parochial of military matters that has caused me on this occasion to assume what should be a government responsibility. In closing for this round, Mr. Chairman, may I for the minister's benefit make one final quote from Machiavelli:

Those who rise from private citizens to be princes merely by fortune have little trouble in rising, but very much in maintaining their position.

Mr. Brewin: Mr. Chairman, I congratulate the hon. member for Victoria for bringing before this House the subject of defence, a subject which is not particularly popular with the press or with the general public. Yet no one who thinks about the subject can doubt its importance. Our sovereignty depends upon our defence. The maintenance of a stable world and stable peace depends upon methods of defence such as peacekeeping. The economic consequence of an expenditure of more than $2 billion a year of our budget makes it a subject that we have an obligation to consider.

● (1540)

I am afraid that what I am going to say will not very much interest the Minister of National Defence. I am going to discuss a subject which I have previously discussed with him and the House. I do not think the minister will find very much that is new. I believe the major decision that has been made in the field of defence is a wrong decision. I refer to the decision to renew the agreement known as NORAD. I know that the Standing Committee on External Affairs and National Defence has made a majority report recommending such action. I want to take this opportunity to say that a minority of that committee, and I do not know whether it consisted of other than myself and the hon. member for New Westminster—

[Mr. McKinnon.]

Mr. Leggatt: And the hon. member for Fraser Valley West.

Mr. Brewin: The three of us had a different view. I shall briefly try to state that view. We thought the result of the recommendation should be that our government should confer at an early date with the government of the United States, with a view to working out a new, effective means of co-operation in the fields of early warning, detection, surveillance and, where necessary, interception with regard to any invasions of North American air space.

I want to point out again to this House that the stated purpose of NORAD has long been obsolete. That stated purpose was defence against the manned bomber. Although there is lip service paid from time to time, including the majority report of the committee and the minister's statements, to the diminishing, de-emphasized, reduced threat of manned bombers, we continue to say that although that is no longer the principal objective of NORAD it is, in a somewhat reduced form, one of the major objectives. When speaking to the committee on February 27, the minister said:

The first factor to be considered is the bomber threat.

He went on to say that as the Soviet Union has built up its strategic missile forces, the relative importance of manned bombers has continued to decline. The Soviet Union, nonetheless, continues to maintain a sizeable force of longrange bombers, and as long as it does he believes the security interests of this country necessitate our continuing this defence against manned bombers. I am not quoting the minister exactly. Precisely the same view was expressed by the Secretary of State for External Affairs. While he admitted that the bomber threat was of a lesser degree than the missile threat, he still thought that Canada should co-operate with the United States in the maintenance of some form of defence against the bomber threat.

In our view, the time has come to bury this hoary myth and fallacy once and for all, clearly and unequivocally. There is no longer a realistic threat of the use of Soviet bombers in an all-out attack on North America. Expert opinion, common sense and the actions of the U.S.S.R. confirm this opinion. In 1968, the then United States Secretary of Defence, Mr. McNamara, was asked this question in a committee of the Senate, by Senator Miller:

Looking down the road, is it not feasible that they—

That is referring to the U.S.S.R.

—might have as an option the use of selective targets with their bombers and no resort to missiles at least in the early stages of the war?

Secretary McNamara replied:

Completely inconceivable, I think. The reason is that by launching these bombers against our warning systems, they would give us the opportunity to retaliate before they hit us.

I wish to put on record a more recent quotation from James Schlesinger, the United States Secretary of Defence. I am not quoting obscure, theoretical men, but the people responsible for the defence of North America as

a whole under the treaty, and certainly of the United States. He said, in 1974:

> Without an effective anti-missile defence precluded to both the U.S. and the U.S.S.R. by ABM (SALT) treaty of 1972, a defence against Soviet bombers is of little practical value.

General Guy Simonds, formerly chief of staff in this country, when speaking to the defence committee of this House as long ago as 1964 said that the two or three hours warning of an impending manned bomber attack afforded by the early warning and detection system eliminated the possibility of such an attack unless the Russians were crazy. He said they clearly were not crazy then, and they are not crazy now. Those who continue to speak of the continuing, albeit diminishing threat of a manned bomber attack on North America—as the committee report does, and the minister from time to time—refuse to assess the continued reality of such a threat. They refuse to attribute any degree of rationality to their opponents. Their refusal to meet this argument head-on suggests that it is unanswerable. As a last resort, they state that reality of the threat of the bombers rests in the fact that the U.S.S.R. has continued to maintain some 140 aging intercontinental bombers. It has not increased the number and did not even at the time it was substantially expanding its missiles armoury.

In the Vladivostok understanding arising out of the SALT agreement, the two great nuclear powers set a limit on their delivery systems for nuclear weapons. They included both missiles and manned bombers within the limit. It seems absolutely clear that the U.S.S.R. has no intention of embarking once again on an expanded international manned bomber program. The minister might ask why, then, the U.S.S.R. continues to maintain the present stock of manned bombers. The answer seems to have been given to our committee by Professor David Cox of Queen's University, and I quote:

> It is equally plausible for the Soviet Union to take the view that by maintaining a bomber force at however low level a capacity, they can also force the United States and Canada to maintain anti-bomber defences at a much greater rate of financial attrition.

In other words, they maintain them to induce us to continue what we have been doing without any sense for years, that is, maintain under NORAD a substantial means of meeting a threat they would not carry out, as General Simonds said, unless they were crazy. I suggest the survival of the theory of defence against a manned bomber threat is not just a matter of academic interest; it justifies a mentality that diverts Canadian defence from its essential roles. The essence of a sound defence policy, particularly in an era of inflation and the diminishing value of the defence dollar, is to concentrate on essential roles and to provide effective means and equipment to combat real threats. We must discard the mentality that continues to meet threats which, if they ever were real, have long since become obsolete.

● (1550)

I think the real choice before the committee and before the government was, not whether we should renew NORAD or completely repudiate co-operation in defence matters, especially affecting air space, with the United States but whether a better approach might have been to say to the United States: We face a new situation. The main purpose of the old treaty has disappeared. We want to negotiate new means of dealing with the threat to our common air space. We no longer believe that joint control is an essential part of these arrangements and we want to see whether we can operate these things on our own with an exchange of information and quite possibly an exchange of weapons. We think that would be a better way of handling this situation.

However, it appears the minister did not even address his mind to this alternative. For him, it was NORAD or nothing. He closed his mind to the alternative which was available, a new arrangement of a different type. He did not ask his staff or his military advisers about it; he told us so in committee. He did not discuss this matter with the United States. Mr. Chairman, we have never questioned the proposition that we should co-operate with the United States in many of these areas. What was questioned was whether we should continue this particular form of co-operation when in our view it is no longer necessary.

The main argument used by the Minister of National Defence and by the Secretary of State for External Affairs in favour of the continuation of NORAD was that to do so was essential to satisfactory relations with the United States. We pressed the minister on this contention. We asked him who told him that this was the case. He could think of nothing but vague conversations a long time ago with Mr. Schlesinger.

The Secretary of State for External Affairs assured us that the United States wanted this agreement continued. When we pressed him for reasons, conversations, letters, articles or anything which showed this view to have substance, we drew a complete blank. So the main argument in favour of the renewal of NORAD, the impact or the alleged impact of non-renewal on Canadian-United States relations, was not supported by evidence and the government's automatic willingness to accept the renewal of NORAD without question is an example of mental subservience, an example of the lack of an independent will to make decisions for ourselves.

Given the view which I believe most people share—though not all, I admit—that the NORAD agreement is no longer of military value, why must we defer to the possibly imaginary view that failure to renew it might irritate the United States? The sovereignty of our air space is important and it should not lightly be sacrificed. But even more important is independence of thought in policy-making. This is a basic element of sovereignty and independence. The government tells us from time to time, in foreign policy papers and elsewhere, that this is one of the goals of Canadian foreign policy.

Sometimes we hear talk about the cost element in any new arrangement. We are told it would cost much more to "go it alone" in defending our sovereignty than if there were a joint agreement with the United States. This view is based upon the simplistic reasoning that we would need to duplicate everything that has been done under NORAD before any new approach could be successful. I refer to the defence of our sovereignty, the surveillance of our air space, measures against interception, and so on. As far as I know, the minister and others speaking for him have totally failed to indicate precisely what is necessary in these areas.

After all, we are not trying to defend ourselves militarily against aggression from the United States, even if we feared it. What sort of attack on our sovereignty do we expect? What are the weapons required to deal with such an attack? What would they cost? If this information were given us in a clear form, we might be able to arrive at a sensible answer to these questions. I should like the minister to tell us at some stage in this debate just what is required in this so-called surveillance role. It could be an unlimited commitment or it could be a limited, rational commitment which will meet our needs.

The renewal of the NORAD agreement was said by some to be a justified symbol of good relations between Canada and the United States. My view is that failure to renew NORAD would have been viewed by many people as a symbol of Canadian determination and Canadian sovereignty and it would have been not inconsistent with the closest co-operation between ourselves and the United States. I am glad, however, that the committee and the minister did move some way from arguments in justification of NORAD which have made no sense in the past.

I see I have a minute or two in which to discuss NATO. Here again, we are left in limbo. The Prime Minister came back last Tuesday, I think it was, and made a statement to the House that we would continue our support of NATO and we would not diminish our military contribution. But since he added that some review was in progress, he left the nature of that contribution wide open. Shall we be contributing to the central force, which will require us to buy a whole lot of new tanks, for instance, if ground warfare is contemplated, or new aircraft, as the case may be? Or would it not be better for us to contribute a light, mobile force to be available on the flanks? It is on the flanks that the experts seem to think NATO is most vulnerable. I cannot imagine why we should continue a role inappropriate to our defence capability and means, a role which involves us in extraordinarily heavy expenditures.

I conclude by saying that when this defence structure review, as it is called, becomes available, I hope the minister will ensure that it is sent in good time, before it is finally accepted, to the committee on defence. I am tired of finding that decisions have been made and announced—as was the case in the decision respecting NORAD—before these matters are referred to the committee. "You can look into it if you like", they tell us; but we all know what the answer will be in circumstances of that kind.

● (1600)

The hon. member for Victoria mentioned Portugal. I have had the good fortune to be in Portugal, and I take this opportunity of expressing my conviction of the democratic concern of the people of Portugal. I believe they are willing to co-operate with the western world in any reasonable way that is required. I think the talk we have heard about communist takeovers, and so on, is completely without foundation and I hope it will never be a basis for our policy.

[*Translation*]

Mr. Laprise: Mr. Chairman, there is no doubt that the choice made by the Progressive Conservative party and the hon. member for Victoria (Mr. McKinnon) to discuss the estimates of the Department of National Defence is one which meets the approval of the House. We have rarely, I think, had a discussion on this subject in the committee of the whole in recent years.

These estimates have of course been discussed in committee, but we had got out of the habit of debating them in the committee of the whole, and the new procedure allows us to discuss the estimates of a department, those estimates we feel are the most important. Yet our discussion of the problems of this department this afternoon has shown us that there is something to be said about both sides.

Having heard the speech made by the hon. member for Greenwood (Mr. Brewin), I wonder what Canada would become if the country was run by his party. Perhaps there would be some savings in national defence, but I wonder if those savings would be worthwhile in the short or long run. Yet, Mr. Chairman, we know that any country wishing to have its sovereignty respected must have an army, even a token one. In the present situation, judging by the way roles are played in the world, we have witnessed for some decades the establishment of blocs on both sides. It is a well known fact that every country's military expenses take a large part of governmental budgets. It has practically become inevitable.

We know it is a very costly proposition for a country like Canada which has vast boundaries to defend and a population of barely 22 million inhabitants. Maintaining adequate defence forces is quite an expense.

In the last few years, we have seen the government, mainly in response to pressures from the Canadian public, try to limit its defence budget, with the result we see today. By restricting expenditures, replacement of obsolete equipment has been neglected. Now, today, we are faced with the situation where land equipment, some trucks, are older than the troops that drive them. A few years ago, I visited a military base and saw trucks burning out their fourth engine. At that point, drivers hesitate to venture any distance from camp, for fear they might have to walk back.

Mr. Chairman, when a situation reaches that point, one can have qualified troops, well trained troops, but I wonder how we could defend ourselves with such equipment if we really had to use it one day.

The same applies to heavy artillary. And what about our planes? Our maritime patrol and search planes such as the *Argus* are already obsolete, and we are told it would cost some $400 to $700 million to replace them.

Of course, this will not be in this year's nor in next year's; I imagine the amount will have to be spread over several years. On the other hand, if we want to go on patrolling our coastline, we will have to provide for the replacement of this plane and for the amounts required in the estimates of the Department of National Defence.

Our fighters are also very old, and we wonder if they would still be effective in case of conflict. They can still be used to train our pilots but, then again, they train on planes which are easy to handle, it is true, but sometimes they must use blank ammunition for their training.

In that sense, our soldiers also complain about not having the necessary equipment to complete their training

adequately. Mr. Chairman, generally we have to support the enemy or opponent with regard to the maintenance of a defence army, a well-equiped army. It is a known fact that at the Aeronautics Show in France, big manufacturers vie with one another in selling the most sophisticated aircrafts to NATO. Now if Canada lags behind, it will quickly be out distanced. Those are the facts that face us.

According to press reports today, the U.S.S.R. has just launched what is called a string of satellites. Indeed, they have put into orbit around the earth eight Cosmos satellites, probably for the purposes of setting up a world communication network for Soviet navy units. We also know how fast the USSR is building boats of all kinds, military or other, which are sent to sea all over the world, and I do not think they are playing that game for the tourist trade.

Now, Mr. Chairman, as long as Russia will keep in action and develop a conventional striking force, we shall have to take the same means to defend ourselves. If the Warsaw Pact bloc had only nuclear weapons, NORAD and NATO could also have an all-nuclear defence. But as long as the Warsaw Pact nations, led by Russia, will maintain, for instance, conventional bombers—and we know that it still has the most sophisticated long-range bombers—we never know when Russia will use them to launch a conventional attack on the North American continent or elsewhere. So, as long as Russia will maintain that kind of weapons, I think we must do the same.

Given these facts, the problem is this: Since on the communist side, be it Russia or its satellites, when they need funds to make weapons, they do not care much about what the Russians, the Poles, the Turks or the Hungarians think, they just go ahead. If they have to call in engineers and technicians, to use the smelting works and the plants to manufacture these war weapons, they do, whereas on the side of democracies it is not the same thing, not the same tune.

If the Canadian government, for instance, makes any mention of increasing its national defence budget, cries are heard throughout Canada. Newspapers get hold of the story, especially those that support the kind of speech heard before mine and want Canada and the United States, or any other country, to get rid of their armies. I wonder why. They probably know why, but if we were to do that, we would probably be in difficulty. There lies the question. Must we restrain our military expenses, or must we equip ourselves with arms, or with what I would call good quality tools, capable of being used by our servicemen? Such is the choice we are faced with.

Another very important point must also be brought out. Notwithstanding the nature or size of the national defence budget, be it at the top, or in fourth, fifth or sixth position in the overall Canadian budget, everyone knows there is always some waste. That seems anchored in the minds of our citizens, of our industrialists, of our businessmen and even of our civil servants. When it comes to spending for national defence, there is no hesitating. There are no reduced costs. It seems that such a business has no competition. Full prices are charged, and no thought is given to any reduction, because there is no competition; on the contrary, prices are inflated. It is mostly with that in mind that I want to draw the minister's attention, and I ask him to be very careful, to make several checks and to be demanding towards all officials and divisions of his department, in order to prevent that wasting we are aware of, especially during certain periods.

Mr. Chairman, I would not like anyone to say I favour undue expenditures for defence. Neither would I like our defence system to be in danger and within easy grasp by just about anybody. That is, I think, the target every Canadian should have when dealing with expenditures and estimates in a democratic country.

● (1610)

[*English*]

Mr. Dupras: Mr. Chairman, I welcome the opportunity given us by the Conservative Party and the first speaker of that party, the hon. member for Victoria, to speak on the subject of defence. I agree to a certain extent with the suggestion that perhaps here in Canada defence is not a popular subject. There are reasons for this. I am sure there are other activities in our lives that would not win popularity contests. But if you spoke to the people of France, Germany, Poland or Russia you would find that defence is a popular subject. Perhaps it is not popular here because those of us with the experience of living through the second world war and the Korean war are in a minority today.

Canadians do not have a strong instinct to protect themselves from wars. That is why it is much more difficult for us to sell the idea of defence in Canada than it is in France, Germany or Britain where the people have experienced war once, and some even twice. To them defence is a very vivid and popular subject.

[*Translation*]

Most of all Mr. Chairman, I want to seize this opportunity to join others who have already paid homage to the members of the Canadian armed forces and I welcome this new opportunity to do so. I indicated earlier that I also served in the Canadian armed forces, as several of my colleagues. But we are now a minority which does not belong to the medium age group of members of the House of Commons or the Senate.

Indeed, we are a minority in two different ways, only, the Canadian armed forces have for very many years, surely since the 40's and even before, greatly contributed in building Canada's and the Canadians' reputation. They are a Canadian presence in Europe as well and in Egypt and elsewhere. Every time the Canadian armed forces were called to serve or help, they performed with the greatest distinction. To refer to statements often made about the members of the Canadian army, I should like for instance to recall what NATO Secretary General Joseph Luns sais following a tour of our armed forces in Europe. He mentioned how himself and the council members were impressed by the ability and competence of Canadian troops, also the excellent condition of their equipment and their typical flexibility in combining with our allies's forces.

I heard similar comments, Mr. Chairman, during the symposium on defence which I attended last February. The ministers of defence and the parliamentary delegates who attended were constantly repeating how the members of the Canadian armed forces had distinguished them-

selves by their abilities, their merits, their eagerness in their profession and their devotion.

I do not wish to deal more particularly with this issue, but it is the first opportunity given to me to recall also how valuable for the Canadian people of my province in 1970 was the support of the excellent members of the Canadian armed forces.

You have seen the films which are being distributed throughout the world showing the reactions in Canada and in Quebec to the 1970 events. Most of those who distribute those films are criticized, the government and those who took that decision. Surely this is because they were not witnesses. Those who make that insidious propaganda did not witness what happened in 1970. After the event, it is indeed very easy to claim that we had overestimated the gravity of the situation. It is like the manager of a baseball club who must decide whether the runner should try to steal home. When the play fails, 15,000 spectators can stand up and say: "Well, I could have told him that it would fail". In retrospective it is very easy to express an opinion and criticize the decision taken.

However, when we refer to the situation as it existed in October 1970, very few people, as far as I know, came forward voluntarily to give information as to the number of revolutionaries and their intention. I suggest that all those who criticize the government should say so. If someone had the information, why did he not reveal that this small group of hot heads wanted only to call the attention of the world on a situation which existed in the minds of a few people who have hang ups and who are living in a very special kind of anguish. There were a few enlightened people who could have informed us at the end of September or in early October and who ventured, came forward and volunteered information, saying it was a small group. And thanks to the federal government's action, and especially that of the Canadian Armed Forces, members of the armed forces very ably performed that awkward work. And I am referring here especially to the Canadian Armed Forces members who did not speak French and who were on duty in the province of Quebec facing the problems I just mentioned.

Therefore there were no regrettable incidents and those people deserve our congratulations, and against the whole world, those who are trying to spread false impressions as to what happened in the province of Quebec are making a mistake. I can say that as I lived through it and in a much more intense way, Mr. Chairman. One may recall that it was at the time of my election campaign to replace my predecessor, the Hon. Léo Cadieux, who was then Minister of National Defence. Therefore being a candidate in a federal election during September and October 1970, travelling through a constituency where people were known for hiding revolutionaries, one can be sure that I have a good idea of what happened and I am convinced that the Canadian government did not overreact to the situation existing then.

But those are not the remarks I wished to make, Mr. Chairman. What I wished to point out mainly is the Canadian troops' participation in NATO and also in NORAD. My colleague from Greenwood (Mr. Brewin) recalled the renewal of the NORAD agreement with our neighbours to the south. Others will surely want to deal with that particular aspect of national defence activities. As for me, I should like to say a few words on NATO and point out that as much as the Marshall Plan was the cornerstone of the economic reconstruction in Europe after the war or immediately after, so did NATO contribute to ensure the military security that led to Europe's unification. And the role of NATO troops. The current situation in the world is such that it is absolutely essential to maintain some stability in Europe, a balance of forces between the two superpowers.

I do not mean here to question the intentions of the Soviets and the allies of member countries of the Warsaw Pack vis-à-vis western Europe; but we know the policy, and it is not a mere question of morality or good intentions. I feel there cannot be true, peaceful security and co-existence in the most positive sense without some equality of military forces, or—and it is utopia to think about it—total disarmament.

We have the responsibility to make sure with our European allies that any attempt to score by a surprise attack in Europe or America is checked by the second strike—that of response. So, if by that strike, that threat, the second strike, we eliminate any possibility of war, then we are maintaining a deterrent force that checks those who would have any intentions of attacking Europe and North America.

And it is that equality of forces that must be absolutely maintained, and on the basis of the information we have on purchases of equipment by member countries of the Warsaw Pact, equipment that is being built, the striking power of that equipment, the size and the number of the troops stationed in central Europe, it is absolutely unthinkable to consider the possibility of withdrawing from the commitment made with our allies and it is absolutely essential that NATO participation be maintained. Such was the intention of the right hon. Prime Minister when he went to Brussels recently. He stated unequivocally that Canada intended to remain present and active within the NATO alliance, and did not intend to reduce the effectiveness of its contribution.

I will give you my interpretation of what in my opinion the Prime Minister meant, and I will also tell you how I would imagine the Canadian contribution in Europe. I believe our Prime Minister first wanted to reassure our allies and those who criticised the Canadian participation. I do not think the expression "part-time partners" of NATO was an allusion to us. But our "unobstrusiveness" in Europe has often been criticized. Of course, when considering the distribution of troops, you realize that we have an important air force. Although I do not want to minimize the importance of the air force—which I belonged to in 1942, 1943, 1944 and 1945—I think that if we are to reassess the contribution of Canada in the light of the recent statements of the Prime Minister, our first aim, considering the vast territory under our care, should be to protect that vast territory whose sovereignty is to be upheld. Maybe the activities and efforts of the air force should be maintained precisely to protect our country, supervise our land, and also meet the engagements we are about to enter into under an agreement which is expected to be signed very soon with respect to the limits of the

territory which will be placed under our surveillance on the eastern, northern and western coasts of Canada.

● (1620)

In view of this responsibility, of that vast tract of territory that we have to control and protect, given the changes brought about in the NORAD agreement so that the surveillance of the western sector of Canada be assured exclusively by Canadian forces, I believe that we should rather seriously think of limiting our participation in Europe to land forces, which would require less investment and could be achieved by an increase in our forces and in our visibility in terms of equipment, movement and also in terms of Canadian presence. We know that there are no fewer than 16,000 or 18,000 Canadians now living in West Germany. That figure might be increased.

Thus we could contribute to the acknowledgment of the fact that Canada already belongs to the European community. If it is true militarily speaking, if we are a member of the European military community, there only one step more to convince our allies that we should also be part of the economic, political and social community. I believe that a greater presence of Canadians in Europe could largely contribute to the achievement of that purpose. There is also the matter of the rationalization of equipment. In a symposium which took place in Munich last February, we dealt at great length with the use of the dollar that every country must spend for its defence. We know quite well that it is not easier here than it is in Europe to convince taxpayers that an important part of the budget must be devoted to defence. Here this share amounts to 10 per cent in England, it is 14 per cent. In France it is more for the reasons I mentioned earlier.

If only Canadians could be convinced of all the advantages that an intense presence in Europe can represent! We do not have to give lengthy explanations, for I think that Canadians can understand as well as we do the advantages of such a campaign to convince people that we are already part of the political and military community of Europe, why not make the last step and join the economic community?

As for equipment it might be visible but less expensive. The possibility has been and will be considered, hopefully not for too long, of repeating Israel's experience and modernizing our existing tanks. I am told the upgrading of one tank, the Centurion type, with modern diesel engine and armament to our allies' standards, and with heavier track to carry the equipment, might cost from $200,000 to $250,000. With the number of tanks we already have, and considering that we would have to buy new units as replacement, the investment would be lighter than if we were to buy modern tanks, as the American type now selling between $500,000 and $600,000 apiece. We are assured by experts that an updated, modernized Centurion tank might very well meet central Europe's present needs.

For these reasons, I feel it is urgent that Canada's participation be converted to ground participation. Considering the intentions stated by defence ministers of many European countries at the symposium, where the accent was on equipment rationalization, I believe we will not experience too much difficulty convincing our allies of the importance for Canada to keep mainly our air activities, for the reasons I already submitted, and develop ground activity expertise.

I am convinced that if we have a good case to put to our allies, if it is well put and if the members of the committee share my views on the direction that might be given to our participation in Europe, I believe this could contribute to promote both in the cabinet and among our allies the idea that the Canadian participation could very well be a land participation.

Mr. Chairman, those are the comments I wanted to make. There is often mention of reduction as concerns the cost of maintaining forces in Europe by our allies and by Canada. People often talk about reduction and I was astounded to find that the word reduction seems to have hypnotized people. There are some who have a strange conception or definition of the word reduction. If we look at what is going on around us, in my opinion, the word reduction is outdated. Let us look at what happened in Asia. People may condemn and judge our American neighbours for not having kept their word when they had made an official commitment to protect South Vietnam.

The word reduction was perhaps used excessively and we, who have responsibilities, may also have been hypnotized by this word. In my opinion, it was used abusively. I consider that reduction is a thing of the past. We should be much more careful and ensure that the events of last April and May in Asia will not have a domino effect, like some are saying, and that Africa and other countries will not suffer the consequences.

Mr. Chairman, those are the comments I wanted to make, and I am very happy to have been able to make some contribution in clarifying somewhat Canada's participation in the NATO forces.

● (1630)

[*English*]

Mr. Nowlan: Mr. Chairman, I, along with other hon. members, wish to participate in this debate which is basically, in theory anyway, on the estimates of the Department of National Defence. It gives an opportunity to hon. members interested in defence to either question or to make statements on this very large subject. I share the general feeling not only of my colleague from Victoria who led off for the loyal opposition, but also my hon. friend from Greenwood with whom I quite often differ on specific points. Often he goes one way and I go the other. But that does not detract from his sincerity and conviction, even though I sometimes think there is a lot of wool wrapped around his arguments.

I listened with a great deal of interest to the remarks of the hon. member for Labelle. He is the very distinguished chairman of the Standing Committee on External Affairs and National Defence, and as such he is somewhat handicapped in advocating any views. That is why I found it most delightful to listen to some of his views on the overseas situation. I say without hesitation that I hope I do not have to eat those words if we ever find ourselves in confrontation on the hustings. I think he is a worthy successor of his very illustrious predecessor who I think was minister of defence back in 1968 and 1969 and has now gone on to greener pastures and larger challenges as the ambassador to France. I wish the Prime Minister had been

in the chamber this afternoon to hear the hon. member for Labelle. I hope he will read the report of this debate in *Hansard* so that some of the very cogent thoughts of the hon. member for Labelle can somehow percolate through the inner crustation of the Prime Minister.

I do not intend to be too provocative this afternoon. After all, it is a day in June. We welcome on the floor of the House the new deputy minister of the Department of National Defence, with his minister. The minister has been before the committee many, many times. I am glad the hon. member for Victoria brought on this debate and I welcome the Minister of National Defence, for whom in a personal way I have great fondness and affection, though sometimes in a parliamentary sense we do differ.

I was most pleased when I picked up the paper, long before the Prime Minister returned from his trip overseas, to read what he said when he left Brussels last week at a press conference he held after the NATO summit meeting. He said something which I have been advocating to the Minister of National Defence since I have been involved in the committee, and that goes back several years. Actually, I was involved in the committee before the minister became Minister of National Defence.

There is a former minister of defence sitting in this House. Part of my story goes back to 1968 and 1969, because we have had five ministers of defence in eight years under this government. No wonder there are real problems and questions up in the air about the direction in which we are going and what our objectives are. I read with interest that the Prime Minister said, quite properly, that our democracy is quite different from the countries behind the Iron Curtain which have a monolithic approach to defence. In those countries the leaders or the chairmen of socialist republic committees do not have to worry about public opinion. Any massive contribution to defence or offence is made by a highly organized monolithic group and there is no necessity to inform and educate the public.

● (1640)

I agree with the hon. member for Greenwood, the hon. member for Labelle and the hon. member for Victoria that in peacetime defence is not the most popular subject. Even in wartime when there may be patriotism, marching bands and national fervor because of the instincts of self-preservation which are prevalent, it is only a necessary subject.

I sympathize with the Minister of National Defence today, as I have for some time even though I am getting quite cross with him. How can anyone in this world who reads newpapers think there is the blissful peace of Christmas lore or the goodwill on earth toward all men after what has just happened in Southeast Asia and the tinderbox of the Middle East?

It has never ceased to amaze me that some in this House wonder if we should support the North American Defence Agreement, NORAD, or whether we should stay in the North Atlantic Treaty Organization, NATO. I am too young to have served in any theatre of war, but I was a cadet in one of the wars. It is the success of some of the defence pacts such as NORAD and NATO which gives members of parliament and the scribes and pundits outside this House the luxury of pontificating about whether we need a treaty or defence pact.

[Mr. Nowlan.]

Look at the reality of the world today. Even though we would love to be able to say that we do not need to spend a dollar on defence, we know that is not possible in view of what is happening in Southeast Asia and what is going on in the Middle East, which the Secretary of State for External Affairs has just visited, or in Africa. We know the situation is not stable. There was the SEATO pact in Southeast Asia which did not stabilize the situation there. Because of decisions taken by North Atlantic countries in the late 1940s and 1950s, a former prime minister, the Right Hon. Louis St. Laurent, once said of NATO that it was long overdue. The government had no conviction before that and no commitment to defence.

The Prime Minister has said that there should be, and has to be dialogue and debate with the Canadian public to get support for alliances. I was pleased to hear that. As the Minister of Defence knows, I have been trying to get him to go across this country and talk about defence. I do not mean just to the inner circles, to the messes and the base tours—which of course are necessary—but to go on the Canadian Club circuit, the Rotary Club circuit, and so on. He should be able to talk about defence in an intelligent way, recounting the dilemmas that confront him, without trespassing on the sacrosanct area of security. He could speak about the options that confront him although not, of course, about the recommendations that he makes to cabinet. I am not going to overstress the minister's role today, however.

There is an irony in the statement that the Prime Minister made in Brussels about how you need debate and dialogue with the people in a democracy in order to get support for any alliance. Since the first major overt act of the governement in 1968 when the NATO forces were cut in half, the Prime Minister has had nothing to say. I have looked very quickly through some of the research offices of this House to find when the Prime Minister next spoke on defence, in terms of a substantive contribution to any debate in this House or across the country, and I have yet to find anything. Granted, there was the NATO meeting here last year when he spoke in general terms, there was the Commonwealth conference in Singapore when he pledged allegiance to the Commonwealth, and at Brussels he said we were committed to the NATO concept. Obviously, on his tours of the capital, he has spoken the odd sentence about Canada's role and what our concept is in terms of defence. In terms of any meaningful debate or dialogue, however, there has been nothing.

Unfortunately, Mr. Chairman—I could make a speech on this, and some day I may in this chamber or outside—the paradox of this Prime Minister in so many areas of policy is almost beyond belief. If he really believed what he said in Brussels last week about informing, educating and dialoguing with the people, why is he absent when the question of defence is being discussed and such large areas of policy have to be defined? Almost every year since 1968-69 there has been a white paper on defence. The minister knows that those papers have been changed almost before the ink was dry. In the white papers of 1971, 1972, 1973 and 1974 there was a brand new physical formula for defence. Not a year goes by without an inflation

factor and the whole thing has to be checked and reworked. The forces in Canada and overseas have been crippled because of the new, dynamic formula that had been developed!

I am not pretending that there have not been semantic statements on defence. The priority which evidently the Prime Minister agreed to in 1968-69 was sovereignty first, NATO second, NORAD third and peacekeeping fourth. Those are the priorities set out in the white paper. Since 1968 there have been five ministers of defence who have had something to say about the subject in debate. There has only been one prime minister since 1968, however. In 1968-69 he made a statement in the House on the changing role of NATO, justifying the change and slicing in half our NATO commitment overseas at that time.

● (1650)

Perhaps the minister or his officials can confront me with a meaningful statement on defence which has been made by a minister in this House. I suggest meaningful statements have not been made; the Prime Minister has not seen fit to become involved in any dialogue on defence and that has made the role of the minister more difficult. I do not want to excuse the minister. Granted, we face economic difficulties; granted, we live in times of pseudo peace; granted, the Prime Minister says many contradictory things: nevertheless, the Canadian people are entitled to be told the government's position on defence. There should be some dialogue on defence, and the lack of dialogue has made the minister's position difficult.

The Minister of National Defence should not be content merely to react, merely to acquiesce in the restraints which have been placed upon him. He should go out to the people and carry the message. He should take a leaf from the book of other ministers and do as they did when they carried their message to the Canadian people. The people are entitled to know what the government's conception is of our role in NATO. The hon. member for Labelle was glad the Prime Minister said there is some commitment to NATO. But, Mr. Chairman, admirable though that sentiment may be, hon. members want to know the specific form of that commitment.

At the recent meeting of the Standing Committee on External Affairs and National Defence, certain members asked the Minister of National Defence what he means by "level of commitment." For example, we want to know what it means in terms of aircraft, men, tanks, destroyers, and so on. Of course, the minister said, as his predecessors in office and the Prime Minister had said, "These things are under review." This reminds me of Alice in Wonderland. I think Alice asked the caterpillar what a word meant and the caterpillar said, "It means anything I want it to mean." Alice said, "Good gracious, what happens if two words mean the same thing?" The caterpillar answered, "If they mean the same thing, I pay double for them." That just about sums up what has been happening in this House and what happened last week before the Standing Committee on External Affairs and National Defence. We asked the minister to define our commitment in a meaningful way; so far, we do not have an answer.

Believing that one should say in this House what one has raised in the press—although one is motivated by sentiments of rhetoric when writing in the press, which may be of advantage from a political standpoint—I say to the minister that in this country there is consternation arising from policy decisions the government has taken in the field of defence. That being so, I consider it the minister's duty to go across this country and tell the people of Canada what the government's point of view is, and to put that point of view across. Let him imitate the Minister of Finance.

For several months after the election, the Minister of Finance was invisible; he was like a shadow. He was everywhere, trying to explain how the economy works and trying to sell something which he called consensus, even though my leader had raised the subject during the election campaign. The Minister of Finance accepted speaking invitations. I say nothing as to how successful he was and how much wiser we are for all his effort to sell the illusive concept of consensus. Perhaps we know a little more about it today. I say nothing of what happened in the election campaign, because my leader, if you remember, was in favour of a consensus and of a 90-day period after which laws would be passed. No, I will not talk about election dishonesty which involves the Prime Minister.

I am talking about our defence commitment. I do not understand why the minister cannot come clean with the people of Canada and explain exactly what our commitment is. What are the various factors we must consider, apart from money? How many aircraft does the commitment involve, how big a force, what supply machinery, and so on? These factors need to be worked out and we should be aware of the results.

Let me ask another question. When will the government make up its mind on a replacement long-range patrol aircraft—LRPA? We have been asking this question for years and it has been under study for years. Away back on March 16 and 17, 1969, the then minister of national defence, Mr. Cadieux, said that the question of a replacement was being considered. Good heavens, it took us less time to fight and win the second world war, which lasted about 5½ years, than it will take to find a replacement LRPA. After spending $14 million in trying to decide between two prime contractors for the long-range patrol aircraft, the minister injects the Phoenix proposal into our discussion but does not tell the Canadian people what this involves. How many departments will it involve? Will it involve Defence, Fisheries, the Department of the Environment? I see you are about to rise, Mr. Chairman, and I have hardly begun.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but his time has expired.

Before proceeding further, it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grenville-Carleton—Bilingualism—Possible reference of Quebec's Bill-22 to Supreme Court—Government position; the hon. member for Northwest Territories—Health—Request for reconsideration not to test for mercury poisoning among natives; the hon. member for Vancouver South—Finance—Excise tax on private aircraft and pleasure boats—request for report on effectiveness in limiting consumption of petroleum products.

Mr. Anderson: Mr. Chairman, defence is an important subject. Since we are debating an opposition motion moved on an opposition day, I am disturbed to note that there are only nine members of the official opposition in the chamber. I expected to see more opposition members here. I am sorry the hon. member for Greenwood is no longer present because my comments on defence will centre mainly on the NORAD agreement. If the hon. member were here, I would say to him that unfortunately we live in an imperfect world. In a perfect world we would not need defence commitments, the NORAD agreement or NATO. Since we live in a world beset with dangers, it behooves the Government of Canada to take all necessary steps to protect the sovereignty of our land.

The hon. member for Greenwood discussed one aspect of NORAD, defence against Russian bombers. He contends that as that threat no longer exists, we should end our commitment under the NORAD agreement. I suggest the hon. member dealt with only one small aspect of that agreement. He singled out one aspect, said it no longer applies and suggested, in so many words, that we should throw the agreement in the garbage can, so to speak. I am afraid the hon. member was being one-sided because he referred to only one minor part of the agreement.

● (1700)

I wish to go into a bit of the history of the NORAD agreement and bring it up to date. The original NORAD agreement, signed in 1958 between Canada and the U.S.A., involved an extension of the air defence co-operation that had developed between the two countries since the end of the second world war. Hon. members will recall, I am sure, that during this period the world tensions arising out of the cold war and the continuing growth of an already formidable Soviet bomber force underlined a North American need for protection. It was not something that Canada and the United States dreamed up. They did not just decide it was good to sign a few agreements. There was a threat that existed in 1948 and in 1958 which Canada and the United States realized. Defence planners in both Canada and the United States were convinced that the only strategic threat to North America lay in the possibility of attack from manned Soviet nuclear bombers. That was some years ago.

The NORAD agreement, setting up an integrated command structure for American and Canadian air defence, was thus a natural outgrowth of the times. In simple terms, it established a co-operative defence against Soviet bombers and at the same time provided protection for the United States strategic air command, the western world's main cold war deterrent. The agreement did not commit either country to allocation of military forces, leaving each government to determine the size and nature of its contribution.

The Canadian contribution to NORAD has always appeared minuscule when compared with that of our giant neighbour to the south, even though we have always striven to maintain our proper proportional commitment. Even if Canada supplied 10 per cent of the total interceptors available to the commander-in-chief of NORAD to meet this requirement, it would not fulfil our purely national interests. It was evident, in fact, even in 1958 when our armed forces had reached their post-war peak in terms of numbers, that we were unable to span the breadth of the country with interceptor aircraft. United States' interceptors were, and are, effectively carrying out what we now recognize as protection of our national sovereignty.

The original ten-year agreement, renewed in 1968 for five years and extended in 1973 for two years, was obviously aimed at defence against the manned bomber threat. However, North American air defence policy has been under constant review during past years, and mainly as a result of missile development and strategic arms limitation talks between the United States and the Soviet Union has undergone a dramatic change in priorities. Defence against the manned bomber has been de-emphasized in favour of surveillance and control of each country's sovereign airspace. I submit it is a radical change which the hon. member for Greenwood has not noticed. I hope he has, because it is a radical change in NORAD'S commitment.

Since this matter has been raised, I would also like to mention a few facts about the manned bomber threat as it exists today. While, with the growth of missile inventories, the relative importance of the manned bomber as an intercontinental threat has declined, it remains a potent weapons system. Compared to the ICBM, the bomber is more flexible and accurate and is capable of carrying a larger payload. Despite contrary opinion, the number of heavy bombers in the U.S.S.R. inventory has not significantly declined. Moreover, the capability of the Soviet fleet has been improved with the introduction of air-to-surface stand-off missiles and in-flight refuelling.

For the past several years we have been following the development of the new Soviet supersonic swing-wing bomber, nicknamed the "backfire". Several squadrons are in operational service with long-range aircraft and numbers are likely to increase with the phase-out of obsolete types. Even though the major strategic threat is from missiles, we cannot afford to let the strategic balance be upset by ignoring the bomber. We must prepare our defences against what the potential enemy is capable of doing, not against what our analysts assess his intentions to be. It should be stressed that the capability is there. They have introduced new supersonic bombers. We can only assume that these are being brought in as part of their reservoir of weapons, and not merely for show. Because we have analysed the problem as one of supersonic missiles, we still must take into account that this is in their inventory.

To take our defence apart because we analysed it as a missile threat would be leaving our gate partly open. The hon. member for Greenwood is correct that this is not the major impact of the U.S.S.R. Nor, as the old cliché goes, should we ever consider giving them a free ride. The best incentive to Soviet bomber development would be the disbandment of NORAD air defence forces. Small though they may be, and in Canada's case relatively ineffective against bombers such as the "backfire", NORAD's air defence squadrons provide a counterbalance to a known threat.

With regard to nuclear weapons, it is probably in the context of air defence that I should put the question of nuclear weapons to rest. There have been many discus-

sions in this House and elsewhere about the fact that we still have nuclear weapons on the CF-101. The minister has stated on several occasions that we have a replacement for it. It will more than likely have conventional weapons. Because of the age of the CF-101, it would be impractical at this time to spend many millions of dollars converting it from nuclear to standard weaponry. We will see the day in Canada where we will not have nuclear weapons. The day of the Bomarc is over. The day of the CF-101 will be over in five years. We will soon see a new generation of fighters which will be equipped with standard weaponry.

I also wish to discuss Canadian sovereignty and independence with regard to the NORAD agreement. While Canadians should appreciate the large American contribution to Canadian defence, our inability to "go it alone" has to some extent raised questions as to Canadian sovereignty. There is little doubt that Canada's participation in NORAD has enhanced our ability to ensure surveillance and control of Canada's airspace. On the other hand, most of the forces required to exercise sovereignty control are American, which to some extent compromises Canadian independence. However, the minister has announced that the western sector of NORAD in Canada will come under Canadian control with the establishment of new headquarters in Alberta.

One of NORAD's long-term objectives has been for us to acquire the ability unilaterally to carry out our own detection and identification functions. I welcome the minister's statement. I welcome it in the context that it will give Canada sovereignty over its own airspace in the foreseeable future. With regard to the renewal of the agreement, it is significant to note that the new agreement indicates the changing emphasis on sovereignty and air defence by according precedence to national sovereignty. In future, the primary objective of NORAD will be to assist each country to safeguard the sovereignty of its airspace, to contribute to the deterrence of attack on North America by providing capabilities for warning of attack and for defence against air attack and, should deterrence fail, to ensure an appropriate response against attack by providing for the effective use of the forces of the two countries available for air defence.

● (1710)

The priorities as set out here have been under study ever since publication of the white paper "Defence in the '70s". In essence, some of the proposals put forth as a result of the study suggested that the surveillance requirements of MOT and DND be integrated into a single national system and that our interceptor force be redistributed to provide an interceptor capability throughout the whole of Canada, rather than the limited areas now protected. Over a year ago DND entered into an agreement with MOT for joint acquisition and use of new, three-dimensional radars. These radars would replace current DND heavy radars, and with complementary MOT terminal radars would stretch across the country to provide surveillance and control for both military and domestic air traffic.

At the same time, and in conjunction with this requirement program, Canada and the United States are reconfiguring the present NORAD regions to emphasize the sovereignty role spelled out in the NORAD agreement. Four regional operations control centres will be established in the U.S.A. and two in Canada, one in the east at North Bay and one in the west at Edmonton. The ROCCs will replace the present NORAD regional control centres, processing all the radar detection data and controlling NORAD interceptors. The basic difference between the present regional set-up and the proposed ROCC plan is in the areas controlled. For the first time, control of Canadian airspace will rest solely with Canadians. I like that change.

As to the interceptor force, I have already addressed to some degree the inadequacies of the CF-101. We now rely on the U.S.A to provide interceptor aircraft to prosecute sovereignty violations between British Columbia and Sault Ste. Marie, but with the establishment of purely national ROCCs we will not have the same easy access to U.S resources. I might say, without being parochial, that the 409 does a fine job on the west coast of B.C.

Since the white paper recommendations were made, we have also been forced to reduce the size of our CF-101 fleet, both for reasons of economy and to enable us to stretch the life of this aircraft to 1980. However, it is no secret that our fleet of 36 operational Voodoo aircraft is now outdated and worn out. In fact, at the moment we have only a fraction of them serviceable due to engine fatigue breakdowns. These aircraft, at the best of times, can patrol only a small portion of Canadian airspace and though still possessing a capability for limited surveillance and control, will have to be replaced in the near future. I believe a lead-up time of three or four years is needed, and I sincerely hope the minister will give active consideration to the replacement of the 101 within the very near future because there is no question that the 101 has a very limited number of years of service left.

What particularly concerns me is that the breakdown of parts of the engine, caused by fatigue, has caused numerous fires in the past several years, and as a former member of Air Defence Command I consider it behooves the government to provide equipment which at least does not expose our personnel to unnecessary danger. The aircraft has served very well to this point, but we could very soon be running into serious problems associated with its age.

Looking to the future, what do we foresee for NORAD? It is likely that the integration of the civil and military radar and data assessment items will continue. The data will continue to feed into the NORAD computers as command control facilities are updated with the establishment of the ROCCs. This is simply a warning system which can be used in an emergency because of the nature of the ground installation being open to attack. It is something which the United States has studied, and perhaps in the future we shall have to look at the same thing. The extent to which Canada will be involved in this program or in the use of these facilities has not so far been determined, to the best of my knowledge.

Unfortunately, the high cost of defence is something which is extremely difficult to justify to the public in times of peace. I am speaking of peace in our own area; we all know that somewhere or other wars have been going on for a generation or so. It is very hard for the military to justify the expenditure of many millions of dollars of the taxpayers' money even for such an object as the preserva-

tion of the sovereignty of Canada. The Canadian people have shown in many ways that they want additional housing, improved medicare benefits, and so on. All these things are important, of course, but as a member of the committee on defence I am conscious of a moral tug-of-war between the need for expenditure to protect the sovereignty of Canada and the desirability of spending money in areas of social need.

Looking toward the Arctic, for instance, it is obvious we need to establish surveillance arrangements in this region, one which I regard as an increasingly important part of Canada. This is necessary if we are to claim sovereignty over the Arctic, but, as I say, we are dealing with intangible propositions and it is not always easy to convince Canadians that the heavy expenditures involved are justified. Nevertheless, it is surely our responsibility to see to it that a highly effective surveillance capacity exists and that measures can be taken to deal with aircraft entering our airspace. In opposition to the hon. member for Greenwood, I do not believe Canada should abandon its role of establishing sovereignty over its airspace.

Mr. Brewin: I never suggested any such thing.

Mr. Anderson: I am glad to see the hon. member back in his place. I am sorry I missed his earlier remarks.

The Assistant Deputy Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Crouse: Madam Chairman, as a member of the Standing Committee on External Affairs and National Defence, I am pleased to have an opportunity to speak this afternoon in this debate on the 1975-76 estimates of the Department of National Defence. In the estimates for 1975-76 there is listed under the words "Currently estimated total cost" the sum of $53,200,000 covering the cost of Canada's experimental hydrofoil, HMCS *Bras D'Or*. In the next column is an estimate of $230,000 which will be set aside to cover the maintenance costs of this mothballed ship during this fiscal year. When I questioned this figure before the committee as being excessive, I was informed that only $70,000 would be required for maintenance, while the balance of $160,000 is to provide for studies related to the possible application of hydrofoils in future ship construction programs.

● (1720)

This reply brings into question the research and development policies of the present government, especially as they apply to Canada's defence department. Obviously, if suitable studies had been made prior to the construction of the hydrofoil *Bras D'Or*, the $53 million spent on this experimental ship could well have been utilized in a more productive manner. It seems to me that from the very beginning we Canadians have been sold a bill of goods by the government on the value of fixed hydrofoils, and the fact that it has not been possible to date to sell this concept to any—and I emphasize "any"—of our NATO partners would indicate there is something radically wrong with this particular ship.

In light of the tremendous original cost of this project to Canada and its continuing cost even though the *Bras D'Or* is in mothballs, I think it is advisable to review the facts leading up to its construction. The idea for this type of ship is, of course, not new. Half a century ago, on Cape Breton's Bras D'Or Lake, Alexander Graham Bell and F. W. Casey Baldwin were experimenting with one of their projects which they called Hydrodrome 4. When it rose from the water, supported by finlike devices attached by struts to its hull, it zoomed to 61.5 knots and established a world water speed record. Hydrodrome 4 was an early version of the present day hydrofoil, the flying ship that achieves remarkable speeds when the hull rises above the surface, reducing the friction of the vessel's contact with the water.

The present Canadian hydrofoil, *Bras D'Or*, named in honour of two pioneering Canadian scientists, was to be constructed for $9 million when the keel was laid at Sorel, Quebec, in 1963. However, a fire during construction added $6,500,000 to the cost and expenses skyrocketed upward from that point in time. Other setbacks occurred during construction, and the ship was finally commissioned around July, 1968. During sea trials in July, 1969, the ship reached a speed of 62 knots, which made her the fastest submarine chaser in the world. However, after a record performance near the mouth of Halifax harbour, a small crack in the foil put the ship out of commission for a year while a new centre foil was built. Following further tests, other hairline cracks developed, with serious ones occurring in the horizontal cross-member in the main hydrofoil located at the rear of the flying ship. Tenders were called for replacements costing in the vicinity of $500,000, while less serious cracks were repaired by welding.

All of these problems caused the government to decide in the fall of 1971 to put the *Bras D'Or* in mothballs for five years because, in the view of the then minister of national defence, the present Minister of Energy, Mines and Resources, "There appears to be no market for that type of ship". When expressing that viewpoint, the minister was obviously unaware of the opinions expressed by leading navy spokesmen concerning ships in the hydrofoil category. Commander G. L. Edwards, skipper of the *Bras D'Or* at that time, stated that three hydrofoils could be built for the price of one destroyer; and although the ship is designed for anti-submarine operations, he said; "You can name almost any mission for it—put missiles on it, search and rescue, fisheries protection or area surveillance. There's no way a torpedo is going to hit it when foilborne, and it goes so fast a torpedo couldn't catch it".

With all of these well founded opinions by highly placed navy personnel in favour of the hydrofoil, I cannot help but ask the question: Where did we go wrong? Obviously, officials in the defence research establishment were so keenly interested in the development of the *Bras D'Or* that they turned a blind eye and a deaf ear to all previous hydrofoil developments. For example, a 110-ton experimental hydrofoil, 115 feet long, with retractable foils—and I emphasize retractable foils, not fixed foils—was built by Boeing Aircraft Corporation and JM Martinac at Martinac's Tacoma yard, and launched on August 17, 1962.

It was completed, named *Flagstaff* and placed in service on September 3, 1963, with sonar equipment installed, two guns and four 21-inch torpedo launchers, at a cost of $3,700,000. It had a forward speed of 48 knots. All of this, I point out to the committee this afternoon, was accom-

plished in the United States at a period of time before we ever started our experiment. That is why I say, Madam Chairman, that we have been misled by our government in regard to this particular project. When you compare the costs and date of completion with the track record of the builders of the *Bras D'Or,* you begin to understand why our NATO partners are reluctant to get involved with purchasing this type of ship in Canada.

Other models followed the *Flagstaff,* and the concept of a common fast patrol boat was studied by NATO officials. In September, 1970, it was decided that a retractable submerged foil craft of 140 tons, known as the PHM, as proposed by the United States navy was the vessel most suited to NATO mission requirements. In October, 1971, the U. S. indicated it would proceed at its own expense with the design of the vessel and share the results of the studies with those nations wishing to purchase PHM's. It also offered to conduct all aspects of design and development, contracting and management in co-operation with governments entering into project membership.

Since Canada is a NATO country, the results of all this research would have been freely made available to us and, what is more important, the hydrofoils developed by the United States are in constant service since the foils are retractable. The benefits are obvious, for a ship with fixed foils like the *Bras D'Or* draws too much water when in shallow harbours and is highly vulnerable, as the minister and his officials have found out, when it is cruising in the North Atlantic and happens to come in contact with ice pans or other obstructions.

The Boeing PHM is an all-weather, high-speed, highly-manœuvrable, missile-firing patrol craft whose development was undertaken jointly by the United States, the Federal Republic of Germany, and Italy. The construction of two lead ships was provided for by Boeing's $46.5 million design and development contract with the naval sea systems command. The American navy plans originally called for funding a total of 30 of these vessels through fiscal year 1977. Germany is planning to initiate a ten-ship procurement next summer and has awarded Boeing a contract for the phase 1 development of the German variant of the PHM. Italy has announced its intention to procure four PHM's but has not yet awarded a design contract for its distinctive version.

It should be pointed out that the Boeing PHM became an authorized NATO program project under a memorandum of understanding signed in 1972 by the three nations currently sponsoring the ship. I think that is an important fact, a point that has never been brought to the attention of this House by the government or the minister. We are still being told, "Let us wait; let us wait". While we are waiting the cost to Canadians is skyrocketing.

In view of all these facts, I believe there will be hydrofoils in our future, for we have vast areas of oceans to patrol and surveillance will have to be maintained over foreign fishing fleets. However, we cannot carry out this work with a ship like the *Bras D'Or* and its fixed foils. The government should face up to the fact that it has blundered badly in pursuing this type of design, and co-operate with our NATO partners in providing our navy with a hydrofoil that has been proven and operational under almost any conditions. The time and money presently being wasted can never be regained, and the opinions of our leading navy men concerning the need for operational high-speed hydrofoils should be given every consideration.

From my studies on hydrofoils, I learned that the biggest share of the hydrofoil market is military, and the biggest share of the military market is overseas. However, Boeing is moulding its hydrofoil marketing and production plans to an emerging market dominated by international military requirements, but which also involves passenger-carrying ships and those in the utility class. Admittedly, without the military programs, Boeing's commercial jet foil program could not continue, since the two programs share personnel and facilities for greater efficiency and economy.

It is difficult at this stage to predict the market for commercial hydrofoils. Some of the people in the hydrofoil industry talk of a market of a couple of hundred ships over the next ten years, but this market will have to be developed. Obviously, it is a matter of getting the boat's capabilities into areas where they are really needed and can be fully utilized. A major segment of the market will be high speed hydrofoil utility vessels to serve offshore marine operations. As this phase of offshore activity develops, non-passenger utility ships could ultimately account for as much as 90 per cent of all commercial sales.

● (1730)

What is Boeing doing at the present time? It is promoting the concept of regional final assembly centres around the world as a means of assuring itself a profitable production base, while meeting the worldwide sentiment for greater participation in industrial programs. The centres, which would not be owned or operated by Boeing, would purchase basic hulls from Boeing and then complete the ships for local customers.

The major prospects for these regional centres include Greece, Iran, Japan, Taiwan, Scandinavia, and the Caribbean. You will note that I did not mention Canada. It seems that everyone in every part of the world is aware of the technology that has been developed, that is, everyone except Canada and this minister who sits opposite me with his oficials.

For these reasons it seems to me that Canada is missing the boat when it comes to hydrofoil development. It is missing the boat if it continues to pin its hopes on its expensive but obsolete prototype called the *Bras d'Or.*

I have a couple of questions I should like to ask before I sit down, and I hope there will be a few minutes left in which the minister can answer. I should like to ask the minister why we continue to spend hundreds of thousands of tax dollars, money which I submit could urgently be used in other areas on other projects, on this *Bras d'Or* project? Why have we not taken advantage of the experimental work done by our NATO partner, the United States? In that way we could participate in a workable hydrofoil like the PHM, because the hydrofoil will be required for surveillance of our economic zones and for the protection of our sovereignty and our marine resources. This is a program which would in addition provide an opportunity for all our shipyards to begin production of these highly technical and versatile craft. Why have these things not been done?

Mr. Richardson: Madam Chairman, I should like to thank the hon. member for South Shore for his comments, and congratulate him on his personal knowledge and information about the hydrofoil. I think he has divided his presentation into two parts; first, the failure we encountered many years ago with the *Bras d'Or*, long before I had any responsibility in this department I might say; and second, he is looking to the future.

In answer to the first part I should like to point out, as he did in part himself, that the high costs in respect of the *Bras d'Or* were partly due to the fire he described, and partly due to the fact that this was an experiment. It was new and we were trying to achieve new technology in Canada. I would agree with the hon. member that in looking to the future we should work with our NATO partners and use the technology that has been developed.

I personally find attractive the idea he has raised of a regional assembly center which is being developed by the Boeing company. In view of his remarks, and the remarks he has made along these lines earlier, I will be following this matter with greater attention as I think the hydrofoil concept has great merit. I thank the hon. member again for bringing this to the attention of the House.

Mr. Crouse: May I just say that I was referring to the retractable hydrofoil concept which has great merit, not the fixed concept because it is not truly operational in all seasons in the north Atlantic.

Mr. Richardson: Yes, I had noted particularly the reference to the retractable hydrofoil and its advantages. I did not use the word in my reply but I did make note of it in the notes I made while the hon. member for South Shore was speaking.

Mr. Turner (London East): Madam Chairman, I trust that all members will agree that the realization of the Canadian aims of political independence and prosperity depends on a state of international peace and security. It is assumed, therefore, that it is in Canada's direct interest that war be prevented but, if unavoidable, that it should be halted before it can escalate into a broader conflict. I also believe that hon. members will agree that large scale hostilities in any nuclear context would mean very serious results beyond our wildest imagination.

As we know, the maintenance of peace remains a United Nations' priority. It is also our belief, however, that this cannot be entrusted solely to the super powers but that other countries, including Canada, must accept and share some of the responsibility.

Canada has come to be widely respected as a country having not only the capability but, equally important, the trust and goodwill of others, which enables us to play an effective role in the maintenance of peace. No matter where our forces travel in this world the Canadian soldier is highly respected, highly trained, and a highly relied on person because of this trust. The Canadian forces military role in international peacekeeping is a vital and important aspect of the total Canadian effort.

During recent world events it has been demonstrated that this Canadian role of peacekeeping can involve a high price. However, imperfect as peacekeeping may appear to be at many times, we must realize that as long as men are prepared to resort to force to settle disputes, Canadians must, especially in today's world, stand by to restore and maintain peace between nations.

The humanitarian role of Canada's peacekeeping forces in many areas of conflict, in alleviating suffering, and providing assistance and protection to the unfortunate innocents caught in the conflict, must also be appreciated. This Canadian role has been played very effectively in Cyprus where the United Nations force is actively involved in keeping the peace. All Canadians are deeply concerned for the safety and security of our Canadian troops and, therefore, our Canadian peacekeepers are instructed never to take chances with their lives.

Canada's experience has provided us with considerable insight into peacekeeping operations. Governments of Canada since 1946 have accepted every request the United Nations has made in this field. In addition, we have responded to requests to participate in peacekeeping type missions outside the United Nations; two in Indo China and one in Nigeria. Our 1971 white paper on defence, and the government's foreign policy review with regard to peacekeeping emphasize the continuing objective of the government to co-operate with other United Nations member countries in efforts to improve the effectiveness of peacekeeping operations, and to continue to contribute to those in which Canada can play a useful role, preferably under UN auspices.

The responsibility of carrying out these peacekeeping tasks has fallen, in the main, to our armed forces. They have served us well and have earned us an international reputation par excellence as peacekeepers. Their experience has ranged from large scale operations such as those in Korea and the Congo, down through the whole range of the peacekeeping spectrum to small United Nations observer missions. Their work has often been uncomfortable and dangerous, and some have failed to return.

I know all hon. members are proud of the troops representing Canada under the flag of the United Nations. Every member in this House today probably has constituents serving with United Nations forces in the Middle East and Cyprus, or with the UN missions in Korea, India or Pakistan. As you know, these are drawn from bases all across Canada and reflect at the same time the diversity and unity of our country. For example, a unit from my constituency, the first battalion of the Royal Canadian Regiment, 1 RCR, based in London, Ontario and commanded by Lieutenant Colonel Phil Spencer, returns tomorrow from Cyprus, having completed a six month tour. The battalion replaced the Canadian Airborne Regiment from Edmonton last December, and was replaced in turn this week by a unit from Quebec City, the second battalion of the Royal Twenty-Second Regiment.

● (1740)

Although the events of the past six months on Cyprus made fewer headlines than the crisis situation faced by the Canadian Airborne Regiment last summer, the tasks assumed by 1 RCR last December were no less demanding. The battalion was required to man 24 observation posts between the belligerents in Nicosia, in addition to carrying out numerous patrols in jeeps and armoured person-

nel carriers. Their area of responsibility included the capital city of Nicosia and the nearby Nicosia airport.

It was no easy task to try to maintain a ceasefire between two armed forces whose positions are in such close proximity, while coping with such hazards as poorly marked minefields. The battalion also provided humanitarian relief to many thousands of refugees made homeless by the fighting. Their efforts during the period were successful but, unfortunately, at the cost of the lives of two members of the regiment, Captain Ian Patten and Private Steven Kohlman.

The work of 1 RCR was typical of many other Canadian units on UN service. The Canadian public has come to expect that its troops will always perform in a manner which brings credit to Canada, often without thinking why this should be so. I think one of the main reasons why our troops do so well is that they are dedicated professionals, organized, trained and disciplined to carry out conventional military operations. Their high standards allow them to adapt quickly and competently to, such operations as peacekeeping activities, or giving aid to the civil authorities in areas where natural disasters have occurred, or search and rescue operations. We would do well to maintain this professionalism, not only in peacekeeping, as history has shown that our forces are often called upon to perform tasks unidentified in advance by either political or military planners. I think it important, therefore, to maintain a well trained, balanced, conventional force capable not only of meeting our current defence priorities but also any other unforeseen commitments which may arise.

In summary, peacekeeping is a difficult and often frustrating task, with results that are often not readily apparent. The value of peacekeeping has been and will continue to be questioned. It must be acknowledged, however, that both peacekeeping forces and missions have been able to calm troubled waters in situations which otherwise might have escalated into uncontrolled hostilities. We hope this has been a significant contribution to world peace.

I have always stated that Canadian soldiers, indeed Canadian veterans, policemen and firemen, are entitled to receive more money because they never know when they will run into trouble in their line of duty. We all know that this is part of their job, but I still say that they are entitled to a little extra share out of our affluence.

Furthermore, I believe that the retirement benefits of our soldiers and widows should be thoroughly updated so that they reflect the true cost of today's standard of living. At present pensions are too low, and after a soldier has served his 25 years he finds that he cannot survive on his pension and therefore is forced to seek other employment immediately. We should either allow him to stay in the service for a longer period of time or pay him a higher pension.

Canadian soldiers receive excellent training in the services, but when they are retired we have no system whereby a man could be given full credit for his training in any trade, such as by being awarded a trade certificate upon retirement. We train the man, give him expert supervision, but when we retire him we allow him to go into a no man's land, with all the knowledge he has gained in the services but with no certificate which would allow him to make a living and to compete in the private sector.

We should have agreements with provincial governments across Canada which would take into account the many years of schooling and training which soldiers have undergone so that they can receive trade licences upon retirement.

All Londoners, and in fact all Canadians, welcome back the first battalion of the Royal Canadian Regiment to their base in London, Ontario, after a well done job of six months' duration.

Some hon. Members: Hear, hear!

Mr. Turner (London East): A new mandate in international peacekeeping and supervision undertaken by the Canadian forces in 1974 was their participation in the United Nations Disengagement Observer Force, UNDOF, in the Golan Heights area on the border between Israel and Syria. Recently this mandate has been extended in Egypt until July 24, 1975, and for UNDOF until November 30, 1975. A major increase of the contingent in Cyprus was also carried out at the request of the United Nations' Secretary General following the Turkish military intervention in July. There were no changes in other supervisory or peacekeeping operations by Canadians elsewhere during the year.

Currently Canada participates in the following operations: In the UN Truce Supervisory Organization in Palestine we have 20 officers. Their role, established in 1948, is to observe the ceasefire and to assist the parties in the application and observance of the agreements concluded between Egypt, Lebanon, Jordan, Syria and Israel. Canada has provided personnel for this operation since 1954. Also, this group provided an early United Nations presence during the October, 1973, war and assisted in the establishment of the UN Emergency Force, subsequently deployed in the Suez Canal area. Since the establishment of UNDOF in June of 1974, 90 TSO observers, including six Canadians, have been placed under the temporary operational control of UNDOF.

In the United Nations military observer group in India-Pakistan, nine Canadian forces officers were on the staff which was established in 1949 to supervise the implementation of terms of the ceasefire agreement in Kashmir between India and Pakistan. Canada also provided an air detachment of one Twin Otter aircraft, three officers and five men of other ranks.

In the United Nations Command Mixed Armistice Commission, one officer represents Canada. He is also the assistant Canadian liaison officer to the commander in chief, UN command. A sergeant assists him in his duties.

With regard to the United Nations Emergency Force in the Middle East, on October 6, 1973, renewed hostilities broke out between the Arabs and the Israelis. On October 22 the United Nations Security Council passed a joint USA-USSR resolution calling for a ceasefire. A similar resolution sponsored by the non-alligned countries was passed on October 25, 1973, and a ceasefire was established between Israel and Egypt.

Planning then began for the formation of a UN emergency force numbering 7,000 personnel to be deployed in

the ceasefire area. Canada and Poland were requested to provide the logistics support for the force. In early November of 1973 Canada provided a signals unit and Poland an engineer unit. Negotiations over the division of the remainder of the responsibilities continued in New York.

On November 23, 1973, it was agreed that Canada would provide a supply company, a maintenance company, a postal detachment, a military police detachment, a movement control unit, and an air transport unit consisting of two Buffalo aircraft. These elements were all in the action area by January of 1974. Poland, in addition to the engineer unit, provided a road transport company and a field hospital.

In June of 1974 the United Nations requested that Canada supply a third Buffalo aircraft to add to the two already serving with the air unit. The Canadian government agreed that additional aircraft be put into service in the Middle East, as was done in mid June. On August 9, 1974, one of the aircraft was shot down near the Syrian-Lebanese border killing nine persons on board, all members of the Canadian forces.

● (1750)

During July and August the headquarters of both UNEF and the Canadian contingent were moved east from Cairo to Ismailia on the Suez Canal. The majority of the Canadian forces personnel serving with UNEF are now located in this Suez location.

The present strength of the Canadian contingent which continues to provide support for the force, numbers over 900, all ranks. In the United Disengagement Observer Force until the end of May, 1974, the operations of UNEF were limited to the border area between Israel and Egypt.

Although UNDOF was established as a separate force, to date it has operated largely as an extension of UNEF. The current over-all strength of UNDOF is 1,100 with Canada providing 130 personnel from UNEF and six observers from UNTSO.

I think the armed forces are doing a wonderful job. God bless them!

Some hon. Members: Hear, hear!

Mr. McKenzie: Madam Chairman, there are a few questions I would like to ask the minister. Prior to the July 8 election there was a Liberal political document put out in my riding and in it was stated:

> It is estimated that 800 new jobs will be created as a result of James Richardson assigning all the Department of National Defence Boeing 707 work to the Winnipeg facility . . .

I wonder if the minister could explain how he arrived at the figure of 800 in regard to overhauling the Boeings. In this document it says 800 new jobs.

Mr. Richardson: Madam Chairman, the figure of 800 jobs was arrived at because that was approximately the number of employees in the former Air Canada base in Winnipeg. That figure was not related in any way to the Boeing 707 work, although the sending of the 707 to Winnipeg was in part to meet the commitment of strengthening the aerospace industry. That work, incidentally, is going ahead, as the hon. member knows.

[Mr. Turner (London East).]

The figure of 800 jobs was also stated by the Prime Minister and by me as an objective, and it has been confirmed since that time by my colleague, the Minister of Supply and Services, as an objective which we still have. It has not been given up or changed in any way, but there was not and could not be any time frame or any date by which we would achieve that objective.

Mr. McKenzie: In this document there is no mention of time frames. It just mentions that there will be 800 new jobs created, and I do not know what the minister means by that. Some existing aerospace employees will continue working because the Boeings are going to Winnipeg; they are going to Transair, as we now know, and all Transair is doing is taking on 20 additional employees from CAE to work on the Boeings. We are getting nowhere near this 800 figure.

I would like to read from a press release, issued by the International Association of Machinists and Aerospace Workers, which says:

> From the present total employment of 160 (98 union, 62 management), there will be continuous layoffs until the total employment target of 69 (48 union, 21 nonunion) is reached on August 1, 1975. To reach this goal there will be 91 layoffs within the next two months.

We are not reaching an additional 800 jobs. We are continually dropping, and these men were told they would get the Boeings to overhaul and that there would be work for them. The majority of them have stayed on at CAE, and now they are being laid off. If they had not had these endless promises that there were going to be government contracts, and if there had been some honesty from the government in regard to statements to CAE telling them that the government would do its best to get them jobs but without definite promises, many of them would have left a long time ago and taken jobs elsewhere. The government will have to be much more careful in the next election because it does not appreciate the effect of such loose statements as that 800 new jobs will be created.

In a letter from the Minister of Transport dated—

Mr. Richardson: On a point of order, the hon. member for Winnipeg South Centre is referring to documents or statements which he apparently saw during the election, but he should observe statements which are made by the government or by me as distinct from whatever it is he is referring to now. In the election there were three distinct and clear promises in this area, all of which are in the process of being fulfilled. There was a commitment to build a new Air Canada hangar. There was a commitment to have the 707 major repair and overhaul work done in Winnipeg. There was an objective to build up to 800 additional aerospace jobs. We are still continuing to achieve all of those political promises.

Mr. McKenzie: I do not understand how the minister is achieving the additional 800 jobs since there are continual lay-offs. We are discussing statements made during an election. The minister made a number of statements during the election. For example, "Mr. Richardson has achieved something. He is going to be bringing back the Air Canada overhaul base." These statements appeared often in election material, and completely misled people. As far as I am concerned, it is false information.

I will go back to the letter dated March 26, 1969. It is from the Minister of Transport, and it was sent to the president of CAE Industries. May I call it six o'clock, Madam Chairman?

The Assistant Deputy Chairman: It being six o'clock I do now leave the chair until eight o'clock tonight.

At 6 p.m. the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. McKenzie: Mr. Chairman, the minister is missing. Is he not returning this evening? I want to continue with my questioning, Mr. Chairman, and the minister is required to be here while his estimates are being examined. Perhaps the parliamentary secretary can enlighten us as to whether the minister will be returning this evening.

Mr. Hopkins: The minister is on his way and will be here shortly, Mr. Chairman.

The Deputy Chairman: Perhaps the hon. member would like to proceed with his questions. They could be noted by the parliamentary secretary and the minister could respond as soon as he arrives.

Mr. McKenzie: That does not sound too good, Mr. Chairman. I spoke to the parliamentary secretary this afternoon regarding the safety amnual, the document which the Department of National Defence uses. I wonder if he was able to obtain that.

Mr. Hopkins: Perhaps the hon. member should carry on with his questions and I will take note of them.

Mr. McKenzie: Mr. Chairman, this afternoon we were discussing the creation of 800 new jobs in Winnipeg as a result of the Boeing 707s being overhauled there. That is not really the problem facing us today, however. What we are trying to do now is save the CAE plant in Winnipeg from being completely closed down. I have a copy of a letter from the Minister of Transport dated March 26, 1969, which is addressed to Mr. Reekie, President of CAE Industires Ltd., at that time. The letter states as follows:

> The Department of Defence Production can guarantee no more than 40,000 to 50,000 direct labour man hours per year in the period 1971-1976—

In a news release issued by the International Association of Machinists and Aerospace Workers from which I quoted this afternoon, it is claimed that this commitment has not been met. I wonder if the minister can tell us this evening whether these 40,000 man-hours of work will be provided to CAE in Winnipeg?

Mr. Richardson: Mr. Chairman, I think the most appropriate answer to the hon. member for Winnipeg South Centre would be to refer him to *Hansard* for June 2, 1975, page 6369, where my colleague, the Minister of Supply and Services, gave a very complete answer to his question. I could read it back into the record but I think a reference to it would be all that is required. It is very complete and tells in clear terms the volume of aerospace work being directed to Winnipeg and the number of jobs being created. I am sure it answers fully the matter about which the hon. member is concerned.

Mr. McKenzie: Mr. Chairman, apparently the minister did not understand my question. I am referring to this letter from the Minister of Transport in 1969 which claimed that 40,000 hours of man-work would be provided to CAE in Winnipeg. This was a commitment to keep the plant going. I should like to know when these 40,000 hours of work are going to be provided to CAE because, if they are not provided in the very near future the plant is going to be closed. Can the minister tell us when he is going to live up to this? That is my question. It has nothing to do with any other firm in Winnipeg; it specifically refers to the CAE plant in Winnipeg.

Mr. Richardson: Mr. Chairman, I have the letter that the hon. member refers to in front of me. It is the Department of Defence Production that is referred to in paragraph (c). That department was taken over by the new Department of Supply and Services. The responsibility for following the matter up lies with that department. It is not related to the responsibilities of the Department of National Defence.

Mr. McKenzie: Mr. Chairman, does the minister have no other knowledge of work being provided for CAE? Is he making any intervention to see that work will be provided to CAE before it folds up? Does he have any defence contracts, or knowledge of defence contracts that can be directed to CAE in Winnipeg?

Mr. Richardson: Mr. Chairman, I am always interested in defence contracts but they are let by the Department of Supply and Services, not by the Department of National Defence.

An hon. Member: What about the old home town—Winnipeg?

• (2010)

Mr. Richardson: A lot of aerospace work, as my colleague made clear, will be going to a number of companies in Winnipeg and Manitoba. CAE is capable of bidding on this work. It has bid on some, although unsuccessfully I believe. I cannot assume responsibility for this. I do not think anyone in the government should assume responsibility for the success of any company's bid. Those bids are assessed by the Department of Supply and Services.

Mr. McKenzie: Mr. Minister, it is interesting to note the promises made to CAE prior to the July 8 election. As you will remember, their business agent was your seconder at your nomination meeting. I guarantee that no member of that union will nominate you in the next election. I gather from comments made this evening that you are not going to intervene. You cannot supply any information about what is to happen to the CAE plant in Winnipeg. As far as you are concerned, it can fold up.

Mr. Paproski: They will be waiting for you next time, Jim.

Mr. McKenzie: I want to discuss outside consultants whom the Department of National Defence hires, despite all the expertise available in the department and the department's limited working budget. I ask this of the minister: are you intervening directly in this matter? Are you considering why all this money should be pouring out to outside consultants? Do you agree that this money ought to be directed to outside consultants, and is there an actual need for their services? In other words, have you, yourself, investigated whether all these consultant studies are required? Could you give me some explanation?

Mr. Richardson: Mr. Chairman, yes I have. I look at every submission which comes forward to me concerning outside consultants. I examine each one and have asked myself exactly the same questions the hon. member is asking me. I want to know if we can do the work within the Department of National Defence for which we are engaging consultants. I ask these questions, at least, on every major contract. I believe we should be able to do more "in-house" than we have in the past. In fact, we have tried to do any work for which we are competent "in-house" rather than go to outside consultants.

Mr. McKenzie: Mr. Chairman, this afternoon I gave notice that I should be asking questions about a certain national defence safety manual which is allegedly a bilingual one, or will be. Has anyone been able to obtain a copy of this document?

Mr. Richardson: Yes, Mr. Chairman, we did obtain the document. What is the question?

Mr. McKenzie: My question is this: is this document being withdrawn from the armed forces? It has to do with explosives, and apparently you are experiencing difficulties with the translation into French. I hear that the French version does not give the same information as the English version. Can you tell me if this document has been withdrawn from the forces, and did it have anything to do with the tragedy at Val Cartier, Quebec, in which some young cadets died as a result of hand grenades exploding?

Mr. Richardson: Mr. Chairman, the document has to do with the handling of explosives. It has been written in English and it is in the process of being translated into French, but the French version is not yet in use.

Mr. McKenzie: Do you intend to withdraw the document, and did that particular safety manual have anything to do with the tragedy at Val Cartier in which hand grenades killed some cadets?

Mr. Richardson: Mr. Chairman, the document has not been withdrawn. It is being revised from time to time and is, as I said, in the process of translation. To my knowledge it was not related in any way, directly or indirectly, to the tragic accident, to which you referred, which took place at Val Cartier.

Mr. McKenzie: Mr. Minister, are you experiencing many difficulties in translating technical documents from English into French? Is this a problem in the Department of National Defence?

[Mr. Paproski.]

Mr. Richardson: Mr. Chairman, I do not translate technical documents myself.

Some hon. Members: Oh, oh!

Mr. Richardson: There are understandably some difficulties in translating documents of a technical nature. We are making progress and increasing each week, and each month, the number of technical publications available in both languages.

Mr. McKenzie: May I ask one final question, Mr. Chairman. It was announced some time ago that the minister, who is responsible for the status of women, will bring forward Bill C-16, which will amend the national defence legislation and allow girls to be enrolled officially in the cadet movement. As this year, 1975, is International Women's Year, can the minister say if the government will bring forward Bill C-16 this year?

Mr. Richardson: Mr. Chairman, that is a question for the House leader. Certainly the government gives that bill high priority. I think the government House leader will try to move Bill C-16 forward as quickly as the pressure of other legislation allows. We have made other provision, quite apart from Bill C-16, to meet the point to which the hon. member referred. We will, as a result, be able to pay girl cadets at the same rate as we pay boy cadets. Also girl cadets will be able to attend summer camp this year.

The Deputy Chairman: Order, please. Before I recognize the next hon. member I should draw to the attention of members of the committee that there seems to be a lapse on the part of some hon. members, making comments or asking questions, in observing the rules, in that they are addressing the minister directly instead of making their comments to the Chair. I am sure that hon. members will agree that, in committee of the whole, we ought to maintain proper decorum. I am merely reminding hon. members gently of how we ought to proceed.

● (2020)

[*Translation*]

Mr. Gauthier (Roberval): Mr. Chairman, I have a few remarks to direct to the Minister of National Defence (Mr. Richardson) on Vote 1 of the Department of National Defence.

Mr. Chairman, I think this day is very instructive for us and it will provide information to the people of this country because they will have an opportunity to know the views of parliamentarians on the defence system of this country, the amounts invested, because the national defence estimates now amount to over $2.5 billion. It is an important department from a monetary and social standpoint.

When we talk of defence we think in terms of security and peace for all citizens of this country and if we want peace at home it must be effective elsewhere as well. If we had no potential aggressors there would be no need for us to talk of defence, armament, but such is not the case in the world. So we must accept the world as it is and stop hiding our heads in the sand to detect the enemy where he is to be found and not be afraid to point him out. That is

why tonight I will be very clear. I will deal first with NORAD and then say a few words about NATO.

After listening to the speeches made this afternoon and among others the NDP member I realized that one must really be misinformed about the intentions of the Soviet Union or be among its accomplices to talk like the hon. member for Greenwood (Mr. Brewin) did this afternoon, when he candidly admitted that the NORAD agreement no longer served any purpose because the U.S.S.R. is no longer threatening today. I will say, Mr. Chairman, that the U.S.S.R. is more threatening than ever in all North America. For example, we know that the quieter the U.S.S.R. is, the more it presents a velvet paw, the more it is preparing to jump on its unsuspecting victim. When we think of its conquests of slavic countries which led to the Warsaw Pact, when we visit Germany and walk along the 35-mile long Berlin wall cutting the city in two, with only one door, and that is taking place in the 29th century, in the era of astronautics and electronic transportation systems, it is unimaginable for someone who has not seen it. Today, not daring to attack North America as it did its satellite countries for fear of the United States, it fights a psychological and tactical war faking to come to the rescue of countries surrounding North America. You have seen them in Cuba, China, Vietnam, Egypt, and you will see them again elsewhere in the hope that one day all its missiles will be pointed towards America in all directions.

I do not mean to make any prophecies, Mr. Chairman, I am just witnessing what I have under my eyes and what every member may check for himself. Hon. members who read papers have heard of the series of Russian Cosmos satellites launched by just one rocket, as announced by the TASS Agency. Those rockets circle the world in 115 minutes. I think we should be more careful than ever to protect efficiently not only Canada, by the North American continent as a whole.

I read with deep interest the statement of the Minister of National Defence to the Standing Committee on National Defence on May 1, 1975 with respect to the new territorial limits of NORAD. Part of it reads as follows:

> The establishment of new territorial limits for NORAD in Canada and the United States would result in each country controlling its own air space.
>
> Since the implementation of NORAD in 1958, the limits of air defence areas overlapped the international border; surveillance and control were exercised by both member countries.
>
> Under the new agreement, Canada will be divided into two geographic areas of fairly equal size, each with a regional operations control centre established in Canada. A new control centre which will cost $25 million once equipped, is to be established near Edmonton, Alberta. The other one is already in operation in North Bay, Ontario.
>
> Each of those control centres will have a staff of some 250 people. Work at the Edmonton centre will start next year, and the equipment of both centres will be chosen next year too. Computers will be used to detect, identify and control aircraft that would enter the Canadian airspace.

Since 1958, and particularly during the 60s, when I visited with the committee the general headquarters of NORAD in Colorado Springs, the crux of our whole continental defence, I had been somewhat concerned that the U.S. military authorities had supreme control over our defence system. After 17 years, the minister decided to assume greater responsibilities and to have Canada behave more as an independent country vis-à-vis its American partner.

An addition to the new control centre in Alberta, we will have near Chatham, New Brunswick, a Baker-Nunn photographic facility. This will supply information to NORAD's detection and tracking system in Colorado Springs. I believe this is a step forward in North America's air protection.

Coming now to NATO, which was created to counter the Warsaw Pact, a number of my fellow citizens wonder why we should still be keeping over 3,000 troops in Europe. Obviously, our constituents do not see the point in maintaining that European force at the same level as the domestic one, and a number of them do not understand why we should keep forces in Cyprus, in Corea and elsewhere.

I am happy that we should go on cooperating with nations requiring our participation, in the interest of peace. But I am forced to ask questions in the face of France's position. That country took its troops out of NATO. It may be argued that she is still a member in principle. But surely, if every country were to rely only on principles for its defence, we would be engulfed in principals. We are told the French government will not act as a buffer to any new attack anymore, that it will rather defend itself. These are serious enough suggestions that invite reflection.

Looking back, I would not condemn the French authorities. They did more than their part during World War II. And I wonder whether the delay by allied countries to help France is not one reason for the withdrawal. Therefore, it may be because of delays in NATO decisions that France is losing some of its confidence. In fact, in some araes, even if we maintain our forces, a great part of the arms or military equipment used belongs in another age.

At certain times, especially when I went there for a visit, I wondered if our men were not there to serve a museum caretakers. Fortunately, the minister in his statement has brought new hope of modernization, without which our army would be nothing but Canadian folklore in Europe. The minister said that the defence budget has increased, but I would like him to note that the major part of the increase if due mostly to salary increase. The minister also talks about the quality of our men; we never doubted their quality. But it is useless to proclaim that one Canadian soldiers is worth five Russian soldiers; the most important thing is that he should be as well equipped as the Russians.

It is about the same situation as in hockey; we are constantly repeating that we have the best athletes in the world, but this does not prevent us from taking humiliating beatings at the hands of the Russians. We should profit from this lesson at least in the military area.

I would also like to call the attention of the minister on useless spendings, when the money is not simply thrown away, as my colleague from Abitibi (Mr. Laprise) mentioned. I know that this is a delicate subject for the minister and that it is his major source of concern. But this should not stop him from being even more careful. Our military forces, whether at sea, on land or in the air, which have the duty to protect Canadian sovereignty, to

help civilian authorities to ensure the control and the security of our national territory, to cooperate with the American forces in the joint defence of North America, in maintaining peace in Europe and elsewhere, have no right to disappoint Canadian taxpayers by taking part in schemes which are unworthy of their mission.

Those, Mr. Chairman, are the few comments I wanted to make tonight.

● (2030)

[*English*]

Mr. Hopkins: Mr. Chairman, during this debate on the Department of National Defence estimates the question of the requirement to safeguard Canada's sovereign interests must be kept in the forefront of our deliberations. Of great interest in this respect is the government's current review of the need for a new long range patrol aircraft. I would like to comment briefly on this subject which will have such a major impact on DND expenditures.

The potential for challenges to Canada's sovereignty and security take both non-military and military forms and arise principally from Canada's vast size and relatively small population, her abundance of natural resources, the length of her shores, the size of the water areas which are of direct concern to her and the fact that historically we have identified and allied ourselves politically and militarily with those nations which share our perceptions of individual freedom and justice and our way of life.

One important component of the military and civilian resources devoted to monitoring and defending against both military and non-military threats has been the Argus aircraft of Maritime Command of the Canadian forces.

The Argus was introduced into service in 1958 and was a good maritime patrol aircraft in its day; its equipment was among the best available at that time, and its range made it possible to conduct long patrols over the far reaches of the Atlantic and North Pacific Oceans. Over the years, more modern and effective surveillance equipment has been developed and the Argus is now limited in capability compared with other aircraft in this role. The capability of its surveillance devices is relatively limited, the aircraft is slow, and the long flight times required for patrols results in high crew fatigue because of noise and vibration. The aircraft engines, and installed equipment are getting old and are expensive to maintain. The standard fuel used by the aircraft is now available at only four locations in Canada.

Therefore, on the basis of the policy outlined in the government white paper "Defence in the Seventies", extensive studies of maritime force capabilities conducted within the Department of National Defence, and the fact that continued operation of the Argus was not cost effective, the Minister of National Defence obtained cabinet approval in May, 1972, to examine in detail the possibility of obtaining suitable replacement aircraft. An interdepartmental office was established in September, 1972, and initial studies were concluded with five aircraft companies, including Canadair.

Upon receipt and evaluation of the proposals received, it was recommended that studies be continued with the two most suitable contractors, Boeing and Lockheed, and cabinet agreed. The studies are in their final stage at this time and it is expected that a submission to cabinet will be made in the near future. It is now timely to review the challenges facing Canada which the government must weigh in arriving at its final decision on the LRPA proposal.

With respect to non-military challenges to Canadian sovereignty, of paramount interest is the enforcement of Canadian laws and the ability of Canada to maintain its sovereignty and jurisdiction over land and sea areas of Canadian interest. The challenge, therefore, lies in any attempt to infringe upon these laws, particularly as such infringements would affect the resources of the sea and the seabed, and as they would affect the marine environment in waters of Canadian interest, including the Arctic, coastal and continental shelf areas.

While other government departments are charged with the task of policing violations of Canadian law in Canadian waters of interest, DND has the ultimate responsibility to ensure that Canadian sovereignty and jurisdiction are maintained. With respect to these challenges, therefore, it is necessary for DND to conduct surveillance of these areas, to assist other departments in their surveillance tasks, and to provide a control capability to back up other departments in their enforcement of Canadian laws.

The potential for external, non-military challenges to Canada's maritime and Arctic sovereignty and jurisdiction is very real and recent developments have heightened awareness of this potential. The U.S. decision to proceed with construction of a pipe line across Alaska and to ship North Slope oil from Alaska to U.S. West Coast ports in supertankers has increased the prospect of major oil spills off the coast of British Columbia. Current and prospective shortages of energy and other basic world commodities have heightened national and international interest in the resource potential of the Canadian Arctic and the continental margin.

The basic concern, nevertheless, remains that of the possibility of foreign infringements of Canadian laws establishing the extent and governing the use of Canada's territorial sea, internal waters, enclosed fishing zones, pollution control zones, and regulating exploration for and exploitation of the resources of the seabed subject to Canadian jurisdiction, and of Canada's Arctic territories.

Infringements of this kind are most likely to occur in areas where Canada's right to exercise jurisdiction is not fully accepted internationally and, at least at the outset, would probably be non-military in character. They would, therefore, be of primary concern to those civil departments and agencies of the federal government to which, under Canadian law, responsibility for regulation and enforcement has been assigned. The possibility, however, cannot be excluded that a determined challenge could be supported by the display or limited use of military force, as occurred in the recent fisheries dispute between Britain and Iceland.

These concerns are growing, as evidenced during the recent Law of the Sea Conference, as a consequence of the concept of an exclusive economic zone or patrimonial sea extending not less that 200 miles off a state's coast. Within this zone the state would exercise the sole responsibility for resource management, and enjoy either exclusive or

preferential rights in the exploitation of both living and inanimate resources. The implications for Canada of such a broadening of its rights and responsibilities as a coastal state are important. Law is seldom self-enforcing; it is for consideration whether the greater range of interests and greater geographical extent of the areas subject to Canadian jurisdiction would lead to a larger requirement than at present for surveillance capabilities to detect infringements of Canada's legal rights, and also for control capabilities to ensure that those rights were respected.

● (2040)

An area which must be considered as a special case when discussing challenges to Canadian sovereignty is the Arctic. At first glance there appears to be little possibility of direct threats in Canada's Arctic; far more concern is expressed over the possible unauthorized exploitation of the resources of this area, and of the possibility of pollution which is far more damaging in its ecological effects in the Arctic than it would be elsewhere. The non-military challenge in the Arctic includes such things as the unauthorized drilling of oil wells and the unauthorized use of Canadian waters by foreign vessels.

Although a number of federal agencies are on the ground throughout Canada's Arctic, a military force, showing its presence in that area on a regular basis, does much to re-affirm Canada's sovereignty. Further precise definition of the various challenges in Canada's Arctic will evolve in time, but it is evident that a possibility exists for a variety of challenges in this area, and a capability is required to meet these challenges as they arise.

Turning to the essentially military challenges to Canadian sovereignty, the government has outlined four objectives for the Department of National Defence. In order of priority, these are the defence of Canada, the defence of North America, contributions to the NATO alliance, and contributions to international peacekeeping operations.

During discussions on the requirement for an LRPA, much has been said of the ability of this aircraft to support national development by doing tasks for other government departments. However, Canada's armed forces provide, to the extent possible in this interdependent world, the means by which Canada can assert its sovereignty through an ability to defend itself. In addition, through representation on international military councils and contributions to international military forces, the armed forces also contribute to the defence of a wider area, and make it possible for Canada to influence the decisions, military, political and economic, of her allies. It is also true, in a military context, that providing for the defence of North America and contributing to the NATO alliance are the most effective ways of ensuring we can fulfill the first priority task, the defence of Canada.

The balance of forces between the U.S.S.R. and the United States is predicted to act as a stable deterrent to major war because both nations possess the capability to inflict upon the other an unacceptable level of destruction in retaliation for a first strike attack. Various agreements have been made, and negotiations are now being conducted which are designed to preserve this balance of power and to ensure that neither nation believes it necessary to enter into further expensive arms build-ups.

A Canadian long range maritime patrol aircraft would contribute to the stability of this situation, because for a deterrent to be credible its military components must be effective. An LRPA would also give Canada the capability to maintain its national security posture by enabling her to detect potentially hostile subsurface activity of any kind in the water approaches to her shores, including the very large continental shelf area.

Canada must continue to review its requirement for maritime forces to act as a deterrent against threats to its security and challenges to maritime jurisdiction and sovereignty. The fundamental need is for maritime surface and air forces possessing a range of capabilities and the degree of flexibility in employment which will permit them to respond promptly to sudden changes in the intensity or magnitude of particular threats or challenges. Because of its speed, range, and equipment capabilities it would appear that an LRPA would form a most important part of the air element of this force. Its speed would permit it to respond quickly to detected or suspected challenges, its range would permit it to reach any part of the vast areas which are of national interest, and its equipment would permit it to detect and, if the government decided, to control activities which are not acceptable to the government.

It is also clear that such an aircraft would have an inherent capability to contribute effectively to the support activities of other departments by the addition of a few specialized sensors for a wide range of activities, such as ice reconnaissance, wildlife determinations, and special agricultural problems. Thus there is great flexibility in such an aircraft.

Finally, I wish to say a word about industrial benefits. It is apparent that if the government is to spend the large sums of money required for a new long range patrol aircraft, such a purchase must be arranged so as to maximize the benefit to Canadian industry,—in particular the Canadian aerospace industry for which the government continues to express concern. We on this side of the House will continue to give full support to the ministers during their deliberations on this very expensive program, because it will have such an impact on Canada's long term capabilities to ensure that we do retain the control of our resources, our sovereignty, and our way of life.

Canada has been blessed with many very capable leaders within the ranks of our armed forces. I would be remiss in this debate if, as an example, I did not mention people such as General Donald Holmes, his officers, and men and women of all ranks who are giving Canada an outstanding image throughout the Middle East. They are held in the highest esteem by all parties in the present dispute in that area. They are respected and looked up to by all other United Nations contingents present in the Middle East. Their expertise, discipline, and fairness tempered with firmness, have won for them the respect of all.

General Holmes is a soldier, a statesman, a diplomat, a politician in a sense, and a gentleman all wrapped up in one man. As commanding officer of our United Nations contingent in the Middle East, he is setting the pace for his personnel. He is setting an example for everyone, and

above all he and our military personnel have done more than any other government department could possibly do to promote the image of Canada abroad and to give Canada a tremendously favourable rapport with all national groups. It is my hope that when General Holmes returns next fall we will be able to invite him into the Speaker's gallery and have parliament give him the recognition he deserves.

Many people have told me, both Israelis and Egyptians as well as members of other United Nations contingents, that without our 1,037 military personnel in the Middle East the United Nations would not be able to operate nearly as effectively as it does. There are 37 women in that number. Dedication is also the name of the business of our armed forces. One has only to think of men like General Clay Beattie in Cyprus who, with the loyalty and integrity of all those who have served under him, has given so much of his life to bring about peace on that troubled island.

No matter where our armed forces go in the world they retain their excellent discipline, perform their jobs effectively, put their expertise to work, exercise common sense, and keep cool heads. This can be largely attributed to the fact that we have a volunteer force, that our personnel are in the armed forces because they want to be there and because they are interested in what they are doing. In Europe our NATO forces are respected by all NATO partners and are well received by the local people. Military attaches in capitals around the world form another group who uphold Canada and build a constructive image. This parliament owes the members of our armed forces our sincere plaudits and a wealth of national gratitude.

Mr. Woolliams: Mr. Chairman, I wonder whether I might ask the parliamentary secretary one question. I listened to his treatise with great care. Does he really think, in view of the background that commenced in 1968 when the Prime Minister first became Prime Minister of this country and said he had decided to withdraw from NATO—in fact, at one time we thought there was going to be a complete withdrawal in view of the way the armed forces have been downgraded—that we have any chance of defending ourselves by air, land or water?

Mr. Hopkins: Mr. Chairman, if I may answer the hon. gentleman's question, we do not intend to downgrade the forces. We have exceptional expertise in our armed forces in this country. Contrary to the unbalanced thinking that some people have been expressing, new equipment has been ordered for our armed forces to help them do the job, and more is on order. I have just discussed one of these major programs. I am not a pessimist when it comes to the Canadian armed forces. I am a strong supporter of them, as are many people on the benches of this party over here. I know I am speaking for many members on these benches when I say they have our full support.

● (2050)

Miss MacDonald: Mr. Chairman, I want to say a few words about a matter which is not easily computed in terms of dollars and cents, or specifically included in any vote or even allowed for in the estimates. I want to talk for a few minutes about the reduction in the morale of our armed forces, and to ask a few questions about how it can be restored to the high level which used to be an integral characteristic of the military.

We have heard discussions as to whether the major roles of our armed forces are as valid today as when they were first enunciated and, indeed, whether the troops we have, greatly reduced in strength, are adequate to the tasking. These are not new questions. I have heard them raised many times by members of the armed forces, certainly during the time I was a member of the National Defence College, and subsequently. Obvious to me on a recent visit to our bases in Lahr and Baden-Solingen were the unease and anxiety felt by many in the forces as Canada's role in NATO undergoes another of its perennial reviews—anxiety and unease about the maintenance of our NATO contingent and its possible reconfiguration.

I want to suggest that lack of information and inadequate communications significantly undermine morale, but much can be done to correct this problem without increasing expenditures from the public purse.

People in the military, and in military communities, are anxious and uneasy mainly because they do not know what is going on, where they are headed, and if things will improve, change radically, or further deteriorate in the months ahead. What is being looked for is not information of a highly classified nature vital to the security of the country, but day to day routine explanations that would make day to day living much easier.

I just want to mention a few of these agents that attack morale in armed forces communities. When departmental expenditures are reduced, or when there is no growth in real dollar terms as at the present time, the first area to be short changed is the maintenance of living quarters.

Time and again I have heard and seen legitimate complaints about living standards in PMQs' homes which, because of their shortcomings, cannot help but depress the occupants. These are not very happy homes for wives and children when they are much below the standard of other living accommodations in the general area. I know this to be particularly true at the Kingston base. Painting and refurbishing of homes, the fixing of appliances, and general improvements to property may seem like small items when compared with the acquisition of new LRPA or tanks, but from the over-all point of morale they are vitally important.

I would suggest that the minister should be in a position to let people know, certainly well in advance of steep rent increases, when they can expect some improvement in their living quarters. What about future plans for PMQs?

An armed forces base and the inter-relationship it has with its neighbouring community or communities have a very direct bearing on morale. Let me cite an example. A few months ago in an effort to economize on what was obviously considered peripheral and superfluous by the minister and his staff, the order was given to reduce the number of regular armed forces bands from nine to five. This was done with little or no thought to the incalculable value that accrues to the armed forces because of the high esteem in which these bands are held by men, women and children throughout neighbouring communities. Fortunately, after sufficient pressure was brought to bear, and sufficient reasoned argument was put forward, the minis-

ter saw the light and reversed the decision, enabling the bands to remain to contribute to the military and cultural life of Canada. Once again the intervening months of uncertainty, procrastination, and lack of communication added to morale problems among the forces.

The military educational establishments are another example where the future is uncertain and cloudy. It is estimated that it costs five times as much to send a student through Royal Military College as through Queen's University. Anyone who has had any exposure to RMC will know it is a fine institution with proud history and tradition. Nevertheless, one must wonder if it will continue to be operational at a cost five times that of public universities.

The people in these military institutions, staff, students and civilians, are all understandably uneasy. Perhaps there are those in the inner circle who know the long-range plans for these educational institutions, but how much better it would be to communicate that knowledge to the community at large, thus avoiding speculation and rumour which can so easily lead to distortion of the real objectives. It would not take much in the way of public expenditure to supply that information, but it would net incalculable benefits in public understanding and support, and in strengthening of morale. So I would ask, what about the future for military educational institutions?

Primarily because of the reduction in the strength of our armed forces over the years our military hospitals are not being fully utilized. For the most part these are well equipped facilities capable of handling much more traffic than they presently bear. Because of under-utilization the future of some of these hospitals is in doubt.

I am not unaware of the difficulties that arise in working out federal-provincial fiscal relations to make these hospitals available for the needs of dependents of members of the armed forces, but through you, sir, I would urge the minister to press ahead with this kind of arrangement. In any event, I would urge that he make the civic officials in neighbouring communities aware of all the facts so that adequate advanced planning can be carried out jointly with DND to make the most effective use of these hospitals in the future. Open lines of communication would dispel a lot of the doubt and uncertainty that surround the future of these hospitals. So, I would ask, what about the future of our military hospitals?

Better communications, better programming, and better reporting to our armed forces abroad on what is taking place in Canada would do a great deal to boost the morale of people in the service. I know we have CBC outlets in Lahr and Baden-Solingen and elsewhere, but I am surprised that the amount of programming from Canada is so limited. Better mail service, if such a thing were possible, and distribution of Canadian newspapers and magazines would work wonders. It all seems so obvious that it should not need saying. The same is true for the students in our schools on bases abroad. They are interested in what is taking place currently in Canada. They are thirsty for information and keen to get up-to-date material, something which they so consistently lack. So I would ask the minister about better communications to our armed forces personnel overseas.

● (2100)

These things, I have mentioned do not require elaborate redirection of huge sums in these estimates, but homes, hospitals, educational institutions, and communications are just as important to the members of our armed forces and their dependants as they are to other Canadians. I hope that when the minister speaks he will have something to say on how the maintenance and operations of these facilities can be improved because the outcome has such a bearing on the improvement of morale.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, there are just two subjects on which I should like to make a few comments. If I gave the minister a dozen guesses, I am sure he would guess correctly on the first two.

As I am sure he realizes, I listened with interest to the conversation between the hon. member for Winnipeg South Centre and the Minister of National Defence with respect to certain promises that were made in Winnipeg during May and June of 1974.

I think what I enjoyed most tonight was hearing the minister make so many references to the Department of Supply and Services. I have a fairly good memory of what goes on in election campaigns, but I do not remember the Department of Supply and Services being mentioned in Winnipeg last summer. It was the Minister of National Defence, with the assistance of course of the right hon. Prime Minister, who was going to protect and restore the aerospace industry in Manitoba. As the minister realizes, he is not only the only minister in the cabinet from Manitoba but he is also the Minister of National Defence, and he is in a position to try to do something about those promises that were made last summer.

I should like to emphasize in particular that in those tragic days when we were losing the Air Canada overhaul base from Winnipeg, we were assured that there would be certain replacements. One of the replacements was the work to be given to CAE Industries. I think the hon. member for Winnipeg South Centre is quite right in protesting about the way in which CAE Industries are being allowed to phase out of the picture, for it looks as though that is what will happen because of the direction in which the government is moving.

I ask, therefore, that the Minister of National Defence recover some of that enthusiasm for strengthening the position of the aerospace workers in Winnipeg that was so evident in May and June of 1974.

Mr. Stanfield: We need another election.

Mr. Knowles (Winnipeg North Centre): The Leader of the Opposition has a suggestion which I think many people in this country would welcome. Many are wondering whether the vote went the right way last July 8.

When I speak of the minister's enthusiasm for the promises that he and the Prime Minister made, I am doing this not just from what I read in the papers, saw on television, and heard on the radio, but it is also based on the fact that he and I were on the same program one night in a television studio and I sensed close at hand that he really believed that if he got re-elected, and the Liberals with

him, the aero industry in Winnipeg would be in a much better position.

Mr. Richardson: It is.

Mr. Knowles (Winnipeg North Centre): The minister says that these things are being achieved. The trouble is that it is a long, slow process, and I am afraid that we will not really get the enthusiasm back until the next election, and then of course it will depend on who nominates the Minister of National Defence in Winnipeg South.

The other item about which I wish to have another word with the minister—and he knows it very well—is the question of the pensions of retired members of the armed forces.

I was pleased to hear the Parliamentary Secretary to the Minister of Public Works say this afternoon that this is an area in which we should do a lot better for the members of the armed forces. I was pleased to hear the Parliamentary Secretary to the Minister of National Defence say more or less the same thing in the speech that he made this evening. I suspect that in the armed forces in pension matters probably the most prevalent grievance is the fact that when members of the armed forces go on retirement and draw their pensions, if they are not yet 60 years of age there is no annual cost of living supplement for them as there are for public servants and for many other persons in receipt of pensions.

This is a subject that I have raised repeatedly. I also raise it with respect to retired members of the Royal Canadian Mounted Police. I receive from the ministers responsible for both of these departments the assertion that these things have to be kept in line with other pension plans, and therefore they have to discuss the whole matter with the President of the Treasury Board. I also get the assurance every time from the Minister of National Defence or from his parliamentary secretary when he answers my questions on "late shows" that the matter is still being studied.

Perhaps this was not as serious an issue some years ago when inflation was not quite so rampant, and I understand the argument, about retired members of the armed forces being in an age bracket when perchance they can get other employment if it is available to them, but in these times of rapid inflation when most of the pensions which come under the aegis of the government are escalated in accordance with the rise in the cost of living—it is significant that in most cases they lag behind it—there is nothing for the retired armed forces individuals who are not yet 60 years of age. The minister writes letters to these people, and then we get copies of the letters, in which he points out that when such an individual reaches the age of 60, he may have five or ten years of percentage points to collect and by that time he may, in the year in which he is 60, pick up an escalation of 30 per cent or 40 per cent. But it is "the meantime" that bothers the retired armed forces individual when inflation is rising so rapidly.

I wonder tonight if the minister can say anything that is more hopeful about this matter than he has said on previous occasions when all he has told me the matter is still under study.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Richardson: Mr. Chairman, I welcome this opportunity to respond to some of the statements—

The Chairman: Order, please. The hon. member for Victoria wishes to rise on a point or order.

Mr. McKinnon: Mr. Chairman, there seems to be a little misunderstanding. I wonder if the minister would be good enough to delay his remarks for another five minutes, unless he plans to answer the hon. member for Winnipeg North Centre at present. In that way, we will have more time in which to put questions. Two members of my party have been waiting patiently all day to ask some questions. I would be appreciative if we could squeeze them in.

● (2110)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I sat down leaving some of my time, hoping that the minister would answer me. He is on my time.

Mr. Woolliams: I think he has to speak.

Mr. Richardson: I will answer as many hon. members as I can, but I would be pleased, pursuant to the understanding I reached earlier with the hon. member for Victoria, to wait until 9.15 to begin my remarks.

Mr. Stanfield: Let's get the Winnipeg picture.

Mr. Knowles (Winnipeg North Centre): Just give me an answer about the pensions.

Mr. Stanfield: And Winnipeg too, Jim.

The Chairman: Order, please. I have to recognize hon. members who stand up, and I will recognize the hon. member for Medicine Hat at this time, unless the hon. member for Winnipeg North Centre, who had not completed his time, wishes to pursue the matter.

Mr. Knowles (Winnipeg North Centre): From the understanding we had earlier I thought that any of us who did not use our full 20 minutes could ask for a reply, and all the minister has to do is stand up and say yes.

Mr. Baker (Grenville-Carleton): That was my understanding as well.

The Chairman: It is my impression that the minister did not hear the point raised by the hon. member at the end because the parliamentary secretary was talking to him. I believe it was about pensions and inflation.

Mr. Richardson: Mr. Chairman, the hon. member for Winnipeg North Centre asked me about the aerospace industry and indicated that statements had been made during the election to the effect that, if the Liberal government was re-elected, the aerospace industry would be strengthened and enlarged in Manitoba, and I can assure him that that commitment has been achieved. So that we do not take more time, I refer him to the answer given a few days ago by my colleague, the Minister of Supply and Services, in which he outlined, at some length in a late show here in the House, all of the figures on the creation of jobs and volume of work which is now being placed in Manitoba.

Concerning the armed forces pensions I can only say to the hon. member, as I have on other occasions, that these pensions are at the maximum we are able to achieve at the present time. It is a subject, however because of the representations which he and others make, which is always before us. If more can be done, it will be done.

Mr. Knowles (Winnipeg North Centre): Is the minister discussing the matter of escalating pensions, beginning the year after retirement, with his colleague, the Solicitor General, who is responsible for the Royal Canadian Mounted Police, and with his colleague the President of the Treasury Board, who is involved in these matters? If he is having discussions with those two colleagues, how is he getting on with them?

Mr. Richardson: We do have those discussions, but there is no encouraging answer other than that which I gave to the more general question.

Mr. Hargrave: Mr. Chairman, I have a very brief comment to make, and it relates specifically to a question to the Minister of National Defence. I refer to the Standing Committee on External Affairs and National Defence hearing of last May 6 when the minister was a witness, and I raised certain matters relating to the Suffield Defence Research station. I am sure the minister is well aware of this matter. I asked him if he would give me a written reply to a rather detailed letter I wrote to him last October 31. To date I have not received an answer, and I thought it was significant that at the following committee meeting the acting deputy minister led off in his opening statement and made reference to my request for that answer, which has still not been received. I just want to focus attention on this matter by reading one short paragraph out of that letter, and I think this will bring to light my special concern. It reads as follows:

> I would like to now ask you to very seriously consider the possibility of allowing the Suffield Research Establishment to continue in its traditional and "new look" type of operations indefinitely. Such an announcement would do much to restore confidence, morale and esprit de corps to a very dedicated and able staff, who sincerely want to continue doing a top job at Suffield and remain in the Medicine Hat-Redcliff community and eventually retire there.

That is just one paragraph, and I would appreciate it if the minister would respond.

Mr. Richardson: The hon. member for Medicine Hat and I have discussed this matter many times, both privately and in committee, and I can assure him that the detailed and very thoughtful letter he has addressed to the department is under consideration. My reply is being prepared in the department, and he will receive answers to the questions raised in his letter very shortly.

As I was saying a few moments ago when I thought I could have the floor, I welcome the opportunity to respond to the statements which have been made on both sides of the House today and to answer some of the questions to which I have not been able to reply while hon. members were addressing them to me.

First, I would like to say that I particularly welcome the very keen interest in national defence which has been evidenced on both sides of the House. It was clear to me this afternoon, and again this evening, that whatever deficiencies there may be in our equipment or in the amount of money available to the Department of National Defence, there is one matter on which all hon. members seem to be agreed, and that is the quality of service and the dedication to Canada provided by the men and women of the Canadian armed forces.

Some hon. Members: Hear, hear!

Mr. Richardson: I was particularly pleased to hear the hon. member for London East, who is the Parliamentary Secretary to the Minister of Public Works, when he said earlier today that members of the Canadian armed forces on peacekeeping duties are men who can be trusted:—those were his words—by all. This thought, and the high degree of professionalism which the Canadian armed forces possess, is something which has been evident to me and which I have seen whenever I have visited the Canadian forces on peacekeeping duties, on their NATO responsibilities in Germany, on basis or across Canada. I am pleased that this was reflected in the debate today.

In opening the debate the hon. member for Victoria referred to the obsolete equipment of the Canadian forces. This is a subject to which there is reference quite often, both in the media and by members of the House, and I think there is a good deal of misinformation about the standard of our equipment. For that reason I would like to name just a few items on the approved capital program. Out of a list which I have here of some 33 major capital programs, I will mention only the following to indicate the very considerable extent of our new equipment purchases.

● (2120)

In the sea element we have approved the Sea King helicopter, improvement and modernization, for some $41,600,000. We have purchased a diving tender for some $6,600,000.

In the land element there are a number of major purchases. I think those hon. members interested in the land forces will want to know the extent of the modernization of our equipment. The program includes some 2,848 1¼ ton trucks for a total cost of $69,960,000; 489 5-ton trucks for $27,353,000; heavy anti-armoured weapons, the TOW missile for $30,097,000; the Blowpipe air defence system $38 million; very high frequency radio $9 million, and high frequency radios $6 million.

I am not going to read the whole list, Mr. Chairman, but for those such as the hon. member for Victoria who say our equipment is obsolete I ask them to look at these figures. They will then realize that although some of our equipment is getting old we have a lot of new equipment which members of our armed forces are using in an increasingly effective way.

In the air element we have added five Hercules aircraft, the C-130, at a cost of $30 million, and eight Chinook medium helicopters for $42 million. Replacement of LORAN navigation system for selected aircraft is $6,800,000. In a more general category the Samson system, the strategic communications system, will cost $45 million. This is what is going on week by week and month by month in National Defence to improve the standard of our equipment.

As I said in committee the other day, I am disappointed that hon. members keep talking about obsolete equipment. Certainly there is some, but from now on we should keep a more balanced outlook. If we talk about the old, let us also talk about the new.

I should also like to point out that we are continuously endeavouring to increase the proportion of the budget going to capital expenditures. The proportion for new equipment and construction in 1974-75 was 10.55 per cent, and in 1975-76 we estimate it will be 12.3 per cent, or some $346 million.

In relative terms, although our over-all defence expenditures are slated to increase by 11.6 per cent, the capital expenditures will be boosted by some 31 per cent over last year. I would ask hon. members to think about that figure when talking about capital expenditures. It is up 31 per cent over last year. I particularly want to point out that a large portion of the capital expenditures, about 72 per cent, will go to the purchase of new equipment.

We have approved major capital equipment programs amounting to some $530 million over the next few years, and over 43 per cent of this will be to re-equip the land forces; sea will receive 16 per cent; air 29 per cent, and capital equipment programs common to all will amount to 12 per cent.

The hon. member for Victoria made reference to the Callaghan report. I should like to point out that where allied military trade and co-operation are concerned, the Callaghan report recommends using the United States-Canada defence production sharing program as a model.

We should all be proud of the fact that Canada has been a leader when it comes to NATO industrial co-operation and standardization. For example, we are acquiring the TOW anti-tank missile from the United States and the Blowpipe anti-aircraft missile from the United Kingdom. Both these purchases were made against offsetting sales of Canadian equipment to our NATO allies.

Our allies are increasingly using Canadian manufactured equipment, mainly in the field of electronics, such as aircraft simulators, sonars and sonobuoys, crash position indicators, and computing equipment, a significant proportion of which was developed by and for the Department of National Defence.

I should like to make a brief reference to the comment of the hon. member for Greenwood. He asked me for a definition of surveillance. I would say in brief reply that airspace surveillance is the means of determining what is going on in Canadian air space. It is accomplished primarily through the use of radars. Positive identification in abnormal circumstances can only be achieved by visual observation by a pilot in a high performance aircraft.

I should also like to say to the hon. member for Greenwood, who expressed concern about the number of our interceptors, that we are now using 44 101 Voodoos, a reduction of 12 from the 56 that were in use last year.

I should like to thank the hon. member for Abitibi for his very obvious understanding of the needs of national defence and his recognition of the importance of the armed forces to Canada.

[Mr. Richardson.]

I want to turn to the remarks made by the hon. member for Kingston and the Islands. I have had only a few moments to obtain information and to think about the questions, which are of very great importance to the armed forces. I would agree with her that the subject of morale is perhaps one of the most important matters that all of us who are concerned with the armed forces should be thinking about. In the widest sense I believe that morale is achieved by having a sense of purpose, a sense of the importance of the work that has to be done. Personally I hope to be able to convey to the armed forces, if they do not already realize it, that their work is doubly important—not only in their duty of protecting Canada but also as I have said many times, their work in a number of other ways—in improving Canada and bringing out all of the hidden benefits of their training and education, and their development of the north, assistance to youth, and so on.

Looking at the rather narrower but still important areas mentioned by the hon. member, I think she has raised very valid questions. The first is housing our PMQs. I am able to say that we have a program for improving and renovating PMQs which will amount to some $4,758,000.

It would take me too long to go into each item in detail, but military colleges were also mentioned. I have been aware of the fact that the cost per student is much higher at RMC, Collège Militaire Royal de Saint-Jean or Royal Roads than at Queen's University or other universities. I think the answer partly is that universities do not provide military and academic training, but that military colleges provide everything which universities provide and a lot more, including board and living accommodation. It is really not possible to compare what it costs to train a cadet at RMC, a cadet who is provided with meals, housing, and athletic and military training, with what it costs to educate a student at Queen's, a student who attends lectures from 9 to 5, or 10 to 3, or whatever the time may be, but who pays for everything else outside. We must consider these differences.

● (2130)

In addition, we must look at the quality of instruction at military colleges and realize that the quality of training, and the training in leadership, cannot be measured in terms of dollars per student. Therefore, to answer the question, I think that military colleges have an important place and a good future, as we have confirmed by our dollar commitment. We will be spending on the three military colleges some $17,376,000.

The hon. member for Kingston and the Islands mentioned hospitals. I realize they are underutilized and we must examine their best uses in Kingston and other locations. I can only say that our belief in the usefulness of the hospitals is demonstrated by our commitment to spend some $9,445,000 on improving military hospitals.

I think the hon. member's last question concerned communications. I am proud of how Air Transport Command provides mail, parcels and communications of all kinds to our personnel in NATO and on peacekeeping duty. That is the report I usually receive, although there may be isolated instances of complaint. As I have said before, I think the mail service we provide is perhaps better than that provided to civilians in the rest of Canada.

I am afraid I will not have time to answer all hon. members who have spoken. Earlier today the hon. member for Annapolis Valley said that it is necessary to build a momentum of public opinion behind national defence and in support of national defence. I agree with him on that point. In a democracy such as ours, public opinion in the long run determines the size of our defence budget. As an example I should like the Canadian public to be far more aware than it is of the growth of the number of weapons and armaments in the Warsaw Pact countries. A number of hon. members touched on this point today. I want the Canadian public to be as aware as we are of that growth in military capability, which is well beyond that needed for defence needs. Only if the public becomes aware of this can we generate the kind of public support needed for a larger defence budget. I agree with what was said in this respect.

The suggestion of the hon. member for Annapolis Valley that we have not made our defence options known is not correct. We have made a number of defence options clearly known. They have been reported in the press. I have talked about the options in Europe and said that we would either maintain land forces and an air capability, or an all-air, or an all-land capability. We are studying those options in the structure review which is now before the cabinet. We have not been reluctant to discuss our options.

I see that my time has nearly run out. I think it would be appropriate for me to conclude with the statement made earlier this year by the Chief of the Defence Staff, General Dextraze. It is a statement with which I wholeheartedly agree, and which I believe describes the Canadian armed forces.

General Dextraze said:

The Canadian forces continue to meet their assigned commitments in a highly professional manner. The operational readiness of the Canadian forces continues to be maintained at a high level; morale is good; we have effectively met all the challenges presented to us. Our forces, whether serving in Canada, with NATO in Europe, or with the United Nations around the globe continue to contribute to the maintenance of world peace and stability.

To conclude in my own words, I want the Canadian armed forces not only to respect their heritage, which I know they do, but also to be convinced in their own minds that the tasks which they perform today and the responsibilities that they accept today are of vital importance to Canada and to all Canadians. I should like all Canadians to be convinced, as I am, that the armed forces are important and, in fact, essential not only to the protection but also to the improvement of our Canadian way of life.

Mr. McKinnon: Mr. Chairman, I wish to express my appreciation to those members who participated in today's debate, which was long overdue. It is good that we came out of our secret committee rooms, and said in public what we think about defence. Perhaps we can create some interest on the part of the population or on the part of members.

First, I should like to reply to the Minister of National Defence, who criticized me for saying that we use obsolete equipment. I can tell him why I said our equipment is obsolete. Take the Centurion tank, which was first produced in 1946, but is still our main battle tank in Europe. When I was thinking of obsolete equipment I was thinking of the Bofors gun which forms our perimeter defence at our airfield at Lahr. The Bofors was not a good gun in 1942.

I was also thinking of the Voodoo aircraft which, according to another hon. member who spoke, has been grounded. The Voodoo, or CF-101, is our first line of defence at home. It is not in use with the United States regular forces, but is used by the national guard. They are going to drop the aircraft next year, because it is obsolete. The minister told us in committee that it would go out of Canadian use some time in the early 1980s, at least five years after the United States National Guard considered it too obsolete to be used. That is why I used the word obsolete when talking about our equipment.

Also, I was thinking of the Argus aircraft, which has been flying faithfully and well, but for far too many years. Right now, in the estimates we are considering, not one dime has been set aside for the new LRPA. The long-range patrol aircraft is a long way off.

I was also thinking of our naval forces when I talked about obsolete equipment. Although our navy has four very sophisticated new DDH 280s, it has no other ships under construction. As the lead time for new ship construction is between five and six years, I assume that within five or six years we may, if we start now, equip our naval forces with new equipment. That is why I said that our present equipment is obsolete.

The minister boasts that we are increasing our equipment from 10 per cent to 13 per cent, which he translates arithmetically to be an increase of 30 per cent. That is correct. The equipment budget is up from 10 per cent to 13 per cent, as he said.

Let me read one paragraph from the Thomas A. Callaghan report to which the minister referred. It says:

● (2140)

The percentage of the British defence budget spent on equipment has fallen from 42 per cent in 1965-66 to 37 per cent in 1973-74. The German defence budget shows a steady decline in the investment ratio, from a peak of 46.2 per cent in 1967 to a low of 29.0 per cent in 1972, with only slight improvement to 29.3 per cent in 1973. The American investment ratio has fallen almost 20 percentage points, to 29.8 per cent in the 20 years from FY '54 to FY '74—

This is the reason our equipment is obsolete. We are in the 8, 9, 10, 11 per cent bracket. In order to keep a modern force, the others are in the 30 to 40 per cent bracket. Moving from 10 per cent to 13 per cent is nothing to boast about.

Today we covered in general terms a lot of the problems of defence. We did not go into great detail because we have done that in committee. I would like the general public to know that we have asked questions in committee. We have had eight committee meetings on these estimates. They were noted for our inability to get the information we requested from the department.

We do not yet know where the Falcon aircraft are; or the terms of reference for our senior officials at NORAD. We do not know if we are going to sign a contract for LRPA or not. We do not know what the minister or Prime Minister means, but they say we will keep up our commitment. The commitment will be what they think it will be. They

reserve the right to translate that word, and will give their meaning of it at some later date.

When we ask point blank if our manpower and soldiers in Germany are going to be reduced, we cannot get an answer yes or no. We get the weasely answer that we will keep up our commitment to suit our allies.

I see my time is almost up. I want to thank again those who participated. I want at this time to thank the distinguished chairman of the Standing Committee on External Affairs and National Defence, the hon. member for Labelle, who has done a great job. He capped it today by contributing positive suggestions. I personally thank him, and those members on my side who did so much work preparing for and participating in the debate today.

The Chairman: Order, please. It being 9.45 p.m. it is my duty, pursuant to section 9(a) of Standing Order 58, to interrupt these proceedings and to put forthwith every question necessary to dispose of the proceedings.

Shall National Defence—Vote 1 carry?

Mr. Baker (Grenville-Carleton): On division.

National Defence—Vote 1 agreed to.

The Chairman: Shall I report the resolution?

Some hon. Members: Agreed.

Resolution reported and concurred in, on division.

ADMISSION FEES TO LOWER FORT GARRY—RIDEAU CANAL TOLLS—TERRA NOVA PARK TRAVEL

Mr. Stanley Knowles (Winnipeg North Centre): Madam Speaker, I hear someone across the way saying this is new members' night. In accordance with the agreement that was reached this afternoon, I wish to raise a grievance. The understanding is that I shall take not more than half the time between now and ten o'clock, leaving the other half for a response by a representative of the government.

There are times when I wish it were possible to put on *Hansard* something other than words, some appropriate picture or, perhaps even better, an appropriate cartoon. There is no question but that the Printing Bureau could do this, but of course it would take unanimous consent or an amendment to the British North America Act to make it possible.

At least I can describe the cartoon which I have in my hand. It appeared some weeks ago in the Winnipeg *Tribune*. The cartoon shows the wall of Lower Fort Garry down the Red River from the city of Winnipeg. There is a Canadian flag flying from it. Standing on guard in a uniform of some decades ago is an officer. Across his chest are the words "Judd Buchanan".

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): On his officer's cap there is a dollar sign.

An hon. Member: How many?

[Mr. McKinnon.]

Mr. Knowles (Winnipeg North Centre): There is only one dollar sign, but it stands for quite a few dollars. The caption on the cartoon reads as follows: "Let's all salute history! That will be two bucks, please!"

My grievance with respect to the fee or fees being charged for admission to Lower Fort Garry was underlined this afternoon when the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mrs. Campagnolo) gave an oral answer to my question No. 2,486, which has been on the order paper since May 16.

The question had several parts to it having to do with when the Government of Canada became the owner of Lower Fort Garry, and so on. In particular, I asked from whom the Government of Canada obtained the property known as Lower Fort Garry. The answer was that it was obtained from the Hudson's Bay Company. I asked how much the Hudson's Bay Company charged the Government of Canada for the acres that comprise Lower Fort Garry. The answer given this afternoon was that there was no charge at all, that it was a gift.

Although this piece of property that is important in the history of Manitoba was given to the government free of any charge, and even though the government says that it wants Canadians to appreciate and salute our history, it is now imposing charges for admission to Lower Fort Garry which work against any appreciation of that historic site.

The figures vary. There is a $2 fee for a single admission for any person who is 16 years of age or over. There is a 50 cent fee for persons below that age. There is a $10 annual fee. That is not a very realistic proposition. There are some fees for student groups, families and so on. The point we do not seem able to get across to the Minister of Indian Affairs and Northern Development (Mr. Buchanan) is that Lower Fort Garry is not a national park like Banff or Cape Breton Highlands; it is an historic site of limited area somewhat like Parliament Hill. We do not charge people two dollars to get on to Parliament Hill.

● (2150)

An hon. Member: We shall pretty soon!

Mr. Knowles (Winnipeg North Centre): Perhaps the hon. member is warning me that I should not suggest such a thing because the government might go for it.

I see my time is almost up. I plead with the Minister of Indian Affairs and Northern Development that in line with the view he has expressed that we should salute history, he withdraw the admission fees to Lower Fort Garry.

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): I share the hon. member's regret, Madam Speaker, that he cannot put cartoons in *Hansard*. That is one of the kindest cartoons I have seen of myself. I share his concern in that area as well.

As to the question of the property being a gift, as I have drawn to the attention of the House on several occasions this is irrelevant since, as far as these fees are concerned, they represent only approximately 18 per cent of the operating costs and contribute nothing whatsoever toward the capital costs.

We find that only 5 per cent of the Canadian people visit our historic sites and national parks, yet 100 per cent of the capital costs and approximately 80 per cent of the operating costs are borne by the other 95 per cent which do not go near our parks at all. The feeling was that some contribution should be made by the users of the parks.

Mr. Knowles (Winnipeg North Centre): But you don't apply that to visitors to Parliament Hill.

Mr. Buchanan: No, but I do not have responsibility for Parliament Hill. The hon. member will have to take that matter up with Mr. Speaker.

Basically our feeling was that some contribution should be made by those who use the parks. It is a minimal contribution. In the case of the canals it works out at only 7 per cent, and in the case of the parks and historic sites it works out to approximately 18 per cent, so we feel it is not exorbitant or unreasonable.

We have endeavoured, in the case of Lower Fort Garry, to respond in a positive fashion to concern raised in that area. As the hon. member mentioned, we set an annual rate of $10 for families who go fairly frequently to Lower Fort Garry. We have introduced a special $2 fee for buses which transport students or other special groups. A family consisting, say, of a mother, father and three or four offspring, will not pay the sum of the regular charges but a maximum of $4. Thus we have endeavoured to respond to some of the concerns of the hon. member.

As I say, however, we do not feel it is unreasonable to expect the users of our canals, historic sites and national parks to make a contribution. They enjoy the good fortune in many cases to be near them, so they have the advantage of proximity which is not shared by the majority of Canadian people, as shown by the fact that only 5 per cent of them visit our historic sites and canals.

Mr. Walter Baker (Grenville-Carleton): The minister referred to the canals. One of them is the Rideau Canal. He and I have corresponded about the tolls on this canal which came into effect on June 1, 1975. There has been marked public reaction to these tolls. I have heard the minister state his case and I have questions to ask about the attitude he takes, particularly in terms of the effect on those who live on the Rideau system and those who use it regularly.

If the minister could remove these tolls immediately, I think his action would be appreciated. This would allow time for further consultation with the Rideau Lakes and Thousand Islands tourist councils, the government of Ontario, and the people generally who are interested in this matter.

If the minister cannot withdraw these tolls—and I wish he would, at least to allow these long range consultations to take place—would he consider gathering the facts and figures with respect to them and meet with those tourist councils and others so there could be an exchange of views? This is an important matter, particularly for those who live along the Rideau Canal, and I am sure there are others who are equally affected.

Mr. Buchanan: I would be happy to take a look at the situation after the first year. Arguments have been put forward that we should give special consideration to the people who live on the canals in the sense that we already give special consideration to those who live in the parks. For instance, the residents of Banff and Jasper do get special consideration. This is an idea which I am prepared to consider.

Mr. James A. McGrath (St. John's East): I should like to put a question to the minister with respect to national parks through which the trans-Canada highway passes. I am thinking specifically of Terra Nova Park and those who use it in the sense that they travel over the trans-Canada highway. Madam Speaker, those who have occasion to pass through the park in such circumstances should not be made to pay. Indeed, they should be permitted to stop if they wish to enjoy the beauties of the park and perhaps take a picnic lunch without having to pay these tariffs.

Mr. Buchanan: I am very receptive to the first part of the question. We are now in the process of arranging the road passing through Terra Nova so that resident traffic can go down one lane in such a fashion that they will not be called upon to pay any charge.

Mr. McGrath: There is only one lane now.

Mr. Buchanan: There are two lanes being put there, or under construction now, so that the through traffic will not have to stop.

An hon. Member: Ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

BILINGUALISM—POSSIBLE REFERENCE OF QUEBEC'S BILL 22 TO SUPREME COURT—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Madam Speaker, on May 9 last I asked the Prime Minister (Mr. Trudeau) some questions. One was this: had he received the brief of the Quebec Association of Protestant School Boards and others dealing with Bill 22, the Quebec Official Language Act, and would he refer it to the Supreme Court of Canada? Secondly, how could he, who is supposed to be so committed to bilingualism, continue to ignore a bill so committed to a contrary view? He said he would not refer it, and then he tried to slide out of his dilemma by saying that he had no jurisdiction to do so, that his government only had jurisdiction with respect to areas under the authority of the federal government.

● (2200)

Such an answer is patent constitutional nonsense, and one cannot be more direct than that. If he meant that it

was clear that Bill 22 did not encroach into the federal jurisdiction, then with respect he is equally wrong.

I want to draw your attention to a few sections of that bill. Section 1, which makes French the sole official language of Quebec, violates section 133 of the British North America Act, which makes both French and English official languages in Quebec for the legislature and courts. Section 2, which makes the French text of Quebec laws prevail over the English text in case of conflict, also violates section 133 of the British North America Act.

The sections dealing with the language of instruction in education violate section 93 of the BNA Act, which prohibits any provincial law that "prejudicially affects any right or privilege with respect to denominational education which any class of person had by law in the province" at confederation. All Quebec public schools are denominational. Pre-confederation provincial acts vested the "management and control" of denominational schools and the right to "choose the language of instruction" and to "regulate the course of study" in the denominational school boards. This right, therefore, the province cannot take away. Eleven other sections, in so far as they apply to schools, also violate section 93 of the British North America Act.

The sections dealing with the language of communications with other governments of Canada, language of labour relations, and language of business contracts, are unconstitutional in so far as they purport to apply to the federal government or its institutions, or to any other employers covered by the federal Official Languages Act, or to interprovincial trade and commerce.

The sections dealing with the language of public utilities are unconstitutional in so far as they purport to apply to interprovincial telephone, telegraph, air, ship, railway, gas pipeline and autobus operations, since all such operations come under exclusive federal jurisdiction.

The sections requiring the use of French in company names are unconstitutional in so far as they purport to apply to federally incorporated companies.

The section requiring the use of French labels on products is unconstitutional in so far as food and drugs are concerned, because it conflicts with the federal Food and Drugs Act. It is also unconstitutional in so far as it purports to control the import or export of products without French labels, or their sale.

The sections requiring the use of French in advertising and public signs are unconstitutional in so far as they purport to apply to television, and to interprovincial and international trade and commerce, which are under exclusively federal jurisdiction.

The next question that arises is whether the government ought to disallow the bill. The national interest calls for the promotion of our two principal cultures, French and English, on a basis of equality. This is accepted by all federal political parties. The Official Languages Act of Quebec undermines the whole concept of two equal cultures, and employs coercive measures to impose the French language on, and government control over, some of the chief institutions of English culture in the province.

English is the language most often spoken in the home by some 900,000 Quebecers, and by some 700,000 in metropolitan Montreal alone. Quebec is the fourth largest English-speaking province, and Montreal the third largest English-speaking city, in Canada. Of the 112 provincial acts disallowed since confederation, 32 have been disallowed partly because they were considered contrary to the public interest of Canada as a whole.

[Mr. Baker (Grenville-Carleton).]

Second, the act is contrary to constitutional principles and sound principles of legislation. It reaches down into the minutest details of daily life, as none of the legislation designed to limit the use of French in other provinces in the past has ever done. It vests in the provincial government and its agencies an unparalleled degree of discretionary power, and makes their decisions, in many vital matters, absolute and uncontrollable, denying to the citizen recourse to the courts.

Third, the act is contrary to reason, justice, and natural equity, a ground given for disallowing five acts of other provinces.

Fourth, it is contrary to federal policy as set forth in the federal Official Languages Act. Fourteen provincial acts have been disallowed partly for this reason.

Fifth, it is discriminatory. It discriminates against members of the professions who do not have what the provincial government considers an adequate knowledge of French; against business firms which, in the opinion of the provincial government, have not "francisized" themselves; against the English language universities. Its educational sections discriminate against the ethnic groups, and against French Canadians who may wish to send their children to English language schools. Fourteen acts have been disallowed partly because they are discriminatory. Ten acts have been disallowed because of the vagueness of their terms, and this bill is certainly vague. Madam Speaker, this is a burning ember in the fabric of our national unity, and for that reason alone this bill ought to be referred or disallowed.

Mr. Knowles (Winnipeg North Centre): Match that last sentence, if you can!

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I would like to accept the challenge offered by the hon. member for Winnipeg North Centre (Mr. Knowles), but I regret that my oratorical ability does not come anywhere near that of the hon. member for Grenville-Carleton (Mr. Baker).

Mr. Fraser: That's right.

Mr. Reid: One can only sit, listen and marvel at his felicity with words, and the way he is able to argue the form without having the substance underneath.

I should say that the hon. member has given us his legal opinion of the impact of Bill 22, and he quoted extensively from a brief which the Protestant School Boards as well as nine other signatories submitted to the government. Fortunately, however, the document was received and immediately referred to the legal advisers of the government for a legal opinion. Their judgment has not yet been received by the Cabinet. I am told it will be received imminently.

The original petition is some 200 pages in length, and the synopsis of it runs in the order of 30 pages. In preparation

for tonight I had the opportunity to read it briefly. I agree with the hon. member that it is a complex document and requires a great deal of work before the government will be able to make a decision.

I can say that the document will be referred to the Cabinet imminently, probably by the end of the month of June, at which time the Cabinet will consider it and make a judgment as to what position it will take.

The hon. member for Grenville-Carleton gave a précis, as much as one can give a précis of the document in respect of government activities. It basically argues that the official languages act of Quebec is unconstitutional on a number of grounds in those areas where it is alleged to violate the British North America Act and a number of statutes of the Government of Canada.

Mr. Baker (Grenville-Carleton): What is the date you said for referral to the Cabinet?

Mr. Reid: It ought to be before the Cabinet by the end of June. Presumably at that time discussions will take place and the Cabinet will come to a conclusion in the ordinary way.

On an issue of this nature I do not think we can look forward to an easy answer, because the issues in this particular reference are complex, delicate, and have to do with the over-all position of legislative powers in our system. For example, I can think of a number of premiers who would be very upset if the government were to use its powers of disallowance—

The Acting Speaker (Mrs. Morin): Order, please.

HEALTH—REQUEST FOR RECONSIDERATION NOT TO TEST FOR MERCURY POISONING AMONG NATIVES

Mr. Wally Firth (Northwest Territories): Madam Speaker, I have asked for this time to clarify for myself and for many other people who are involved just exactly what the position of the government is in relation to the question of arsenic and mercury pollution in Yellowknife.

Several times in press releases and in speeches the Minister of National Health and Welfare (Mr. Lalonde) has indicated that the survey results released last week by his department represented only a part of the testing program. He said, as reported at page 6379 of *Hansard*, that "more thorough studies have been launched, particularly on established cases showing what appears to be a high arsenic rate."

The only source the government has of finding high arsenic rates is its own study, and frankly I find that study suspect. The difficulty lies with the sample on which that study is based. I believe 700 people volunteered for the survey. Roughly speaking, less than 20 per cent of the samples were from mine and mill workers, and only 8 per cent were from native people. By my calculation that means only 28 per cent of the samples were from people most directly connected with arsenic.

● (2210)

It is the workers, for obvious reasons, and the native people who are most directly connected with arsenic because many of them have been using Back Bay in Yellowknife as their source of drinking water, and Back Bay is polluted with arsenic and mercury. The point I am trying to make, Madam Speaker, is that if the minister is going to base his next round of tests on his first study, then he is going to miss a lot of people who potentially have high readings of arsenic in their bodies.

Let me illustrate this with an example. You have heard mention of a study commissioned by the Indian Brotherhood. The testing for this survey was conducted by the University of Toronto. Their sample is suspect because it only contained 18 individuals. However, they did find two children with mercury readings. One had a reading of 180, the other of 90.

The minister's study also found some examples of mercury, but they were very low. Let me quote from a department press release dated May 27:

> Since the presently accepted maximum safety level for mercury is 60 parts per million it is not considered necessary to do any follow-up studies on the mercury levels at this time.

One of the two children I mentioned had a reading three times what the minister's department calls the maximum safety level. Because his first survey was not relevant to the matter at hand, his department missed this one example. And because they missed the one example, they are not going to test for mercury.

My worry is for the other ten year olds and their families whom the minister's survey did not find, and I think that the life and health of these people are worth any effort the minister might have made to design and carry out a survey that will give a more accurate picture of the situation in Yellowknife. Armed with relevant data, he should then proceed with further studies.

The second point I would like the minister to take to heart concerns the attitude of some of his staff, and the staff of other departments, when they are dealing with the public in these matters.

As I remember it, last January when the CBC made public the allegedly secret document which revealed the levels of arsenic present in the environment of Yellowknife, a great number of attacks and counter-attacks were made about whether the document was indeed secret. The upshot of the whole thing was the announcement of the survey that came out last week, and what appeared to be a pledge that every pertinent fact on the subject of arsenic would be made available to the public.

I have a memo, dated February 6—a time when the commotion had died down somewhat. It is from Mr. H. Veldhuizen of the air pollution control section of the Environmental Protection Service. It went to Mr. C. A. Lewis of the EPS in Yellowknife. Copies went to Dr. R. D. P. Eaton in Edmonton, who is an employee of the Department of National Health and Welfare.

It deals with the recommendation of a body in the United States charged with evaluating standards for health in working environments. It seems that this body now recommends that the industrial hygiene standards for in-plant environmental conditions be lowered from 500 micrograms per cubic metre to 4 micrograms per cubic metre. Mr. Veldhuizen explains this change to Mr. Lewis in some detail. Then he says:

It would be advisable not to release this information to the public as it may cause undue concern at this time.

I would like to ask the minister to justify that kind of attitude in a person hired with public money to protect the public.

Miss Coline Campbell (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, in response to the question of the hon. member for Northwest Territories (Mr. Firth) put to the minister this afternoon on the National Indian Brotherhood survey, I would like to say the following.

During the survey on arsenic levels in hair samples of residents of the Yellowknife area which was carried out in February of 1975 by the department, tests for mercury were also done on 20 per cent of the hair samples. These tests were done because a study carried out by researchers of the University of Iowa some time ago had indicated the possibility of mercury contamination also occurring as a result of the processing of gold ore at Yellowknife. The study of arsenic levels provided an opportunity to obtain up to date information on the possibility of a mercury problem, since the presence of mercury in human hair is a good indication of whether, and to what extent, it is present in the body.

All the hair samples tested for mercury revealed levels of less than 10 parts per million (ppm) with one exception, which was 25 ppm. Since the presently accepted maximum safety level for mercury is 60 ppm, it was concluded that further follow up studies on mercury levels were not necessary at that time. This conclusion was the one made known in the press release of May 27, 1975.

Since that time officials of the National Indian Brotherhood have contacted officials of the department to inform them of the results of a survey carried out for the NIB on arsenic and mercury levels in some hair samples of residents of two native communities very near Yellowknife. As reported to the department, this survey was of 18 hair samples, but levels of mercury were reported on only two of the samples. Both of these samples are reported to have revealed significantly elevated levels of mercury.

When told of these results, the department immediately requested the National Indian Brotherhood to provide it with a full report on the survey because it wished to follow up with further tests on any individuals found by the NIB to have significant arsenic or mercury hair levels. We have not yet received the report from NIB, and are therefore not yet able to draw any conclusions about the two mercury levels reported, or on the methodology used in the tests.

In the meantime, however, the results reported by NIB have already been reported to the northern health services with the instructions that they are to contact the individuals concerned and ask them to have clinical examinations during phase II of the Yellowknife survey which will start on June 9.

Whether still further tests or surveys should be conducted at this time in connection with mercury is something which will be assessed when the department has had an opportunity to study the full report of the NIB survey and these clinical examinations have been done. The fact remains that the much larger survey carried out by the department did not reveal any mercury levels of significance, and the two high levels reported from the NIB survey must be examined in that light.

Despite this fact, I want to assure the hon. member and the House that in addition to the immediate steps I have described, the department will follow up with whatever further work we find to be necessary to monitor the health of the residents in the area and to enable us to take measures to protect it.

[Mr. Firth.]

FINANCE—EXCISE TAX ON PRIVATE AIRCRAFT AND PLEASURE BOATS—REQUEST FOR REPORT ON EFFECTIVENESS IN LIMITING CONSUMPTION OF PETROLEUM PRODUCTS

Mr. John A. Fraser (Vancouver South): Madam Speaker, in *Hansard* for May 30 at page 6280 is recorded the question I asked of the Minister of Finance (Mr. Turner), as follows:

With respect to the 10 per cent excise tax on privately owned aircraft and motor driven pleasure boats, which was part of the November budget, will the minister now advise as to what degree this tax has limited oil consumption in Canada?

The Minister of Finance replied:

—I will have to consult with my colleague, the Minister of Energy, Mines and Resources, but I would hope it had some result.

On January 9 I wrote to the Minister of Finance, and I quote from that letter:

Regarding the 10% tax on non-commercial aircraft and pleasure boats I am forced to ask whether anyone really believes this is the way to cut down on the consumption of oil. Surely this move is unnecessary and, for that matter, not based on any real programme for energy conservation. Ration gas, tax gas, or let the price rise, if you really want to cut down on consumption, but why try and pretend that this tax is going to help to maintain Canadian self-sufficiency in energy?

On February 19 the Minister of Finance replied, and wrote the following:

The special excise taxes on energy-consuming vehicles constitute one of several programs the government has introduced to deal with the critical question of conserving Canada's energy resources.

In the following paragraph it is stated that:

... the government is aware that the impact of the new taxes on industries directly affected will result in some short-term dislocations in those industries. However, it must be emphasized that disruptions in industries directly related to the consumption of petroleum products will inevitably occur, and the government must take action now to encourage such industries and consumers to adjust their production and consumption in the direction of more conservative energy-consuming products if even greater dislocations are to be avoided.

I want to say quite frankly that if that is the result of this tax, then of course the public must have some sympathy with it, but I wish to record tonight my own severe doubts that that tax has had any effect on the consumption of oil in Canada.

I want to quote from some letters which I have received, as a member of parliament, from people operating in the marine industry in my own province. I quote from a letter dated May 12, 1975, from Leo Edwards Sons, Ltd. as follows:

● (2220)

The imposition of the tax has resulted in decreased sales, lay-offs and has contributed to inflation rather than otherwise.

The letter also says:

I would like to point out that less than ½ of 1 per cent of the total fuel used in Canada is used for boating.

I have a copy of a letter sent to the hon. member for Burnaby-Seymour (Mr. Raines), a member on the government side, on April 16, 1975, by Taylor Pearson & Carson (B.C.). It reads in part:

We feel that the discriminatory additional 10 per cent tax is having a bad effect on the profitability of our independent marine dealers in British Columbia.

I should also like to quote from a letter from Capstan Marine of Richmond, British Columbia, dated May 14, 1975, as follows:

This new policy has been very detrimental to the marine industry. The excise tax is not the type of lavement our industry needed.

May I quote again, this time from a letter dated April 29, 1975, from Allied Boating-Canada which is located in Ontario. The letter reads in part:

It is estimated that gasoline sold through retail outlets in Canada is well in excess of five billion gallons (no penalty).

It is estimated that gasoline for the use of snowmobiles in Canada is 57 million gallons (no penalty).

It is estimated that gasoline sold for the use of small boats in Canada is 77 million gallons (penalized).

When you add in industrial, farm, aircraft and heating fuels, it is estimated that the small boat consumption of fuel is less than ½ of 1 per cent of the Canadian fuel consumption.

This can hardly be classed as an area of high energy consumption!

A letter dated May 14 from Simpson Power Products, Ltd. reads as follows:

The subject tax has now been in effect for approximately six months, and, from our company's own experience, if your goal was to kill the pleasure boat industry in Canada, you have succeeded 100 per cent.

We know this was not your intention. You stated it was a fuel conservation measure, but you chose to pick on an industry that is the smallest in the luxury market, and, due to competition from the large mass producers in the U.S.A., has always had a struggle to keep out of the red.

I want to say to the minister that there are plenty more letters along these lines. I hope the minister can satisfy us tonight that this tax has had a degree of success in conservation of the total amount of oil consumed in Canada. If that were so then I would say to all hon. members and to the public that we have to look upon it sympathetically.

I put on the record as early as January, Madam Speaker, that I doubted the real conservation effects of this tax. I ask the hon. Parliamentary Secretary to the Minister of Finance (Mr. Cullen) to tell us tonight whether the tax has had any appreciable effect on reducing the consumption of oil based fuels in this country. I ask him also to tell us exactly the amount of that reduction, and if the figures are not available I would ask him to give an estimate.

Unless it has some significance this tax is not only foolish, it is clearly discriminatory against owners of boats and airplanes in relation to a great many other users of gasoline products in this country. There is no justification whatsoever for visiting a tax on one particular industry unless it has a very significant effect in terms of conservation. Unless it can be clearly justified, this is a discriminatory tax and ought to be removed in the coming budget.

Mr. Jack Cullen (Parliamentary Secretary to the Minister of Finance): Madam Speaker, the introduction of special excise taxes on privately owned aircraft and boat motors in excess of 20 horsepower is only one measure in the government's over-all program to conserve energy. You will recall that at the time of the introduction of these measures, special excise taxes on other high energy—

Mr. Fraser: You are not answering the question.

Mr. Cullen: —the hon. member read his letters, and I listened quietly. I think he can do me that courtesy—consuming vehicles were also introduced, specifically on large cars and motorcycles. In addition, the government has made significant changes in taxation of the petroleum industries, and a phased reduction in the exports of oil has been initiated.

The Minister of Energy, Mines and Resources (Mr. MacDonald) introduced a comprehensive package of energy conservation proposals in February. These will be found in *Hansard*, page 3005. Included were specific proposals for energy conservation both within the government and in the private sector.

The combined effect of these measures has been to indicate to industries and consumers the urgent need to adjust production and consumption in the direction of products which consume less energy. Although the excise taxes referred to by the hon. member for Vancouver South (Mr. Fraser) constitute a modest step in this direction, the effect of these taxes has been to make both consumers and producers more conscious of the need to conserve energy.

It is difficult to isolate the precise effects of these special excise taxes. The government is satisfied that its over-all policies to encourage energy conservation will have the desired results. I should like to assure the hon. member for Vancouver South that the government will continue to monitor developments in the field of energy conservation very carefully.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, June 6, 1975

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

PROPOSED INVESTIGATION OF ALLEGATIONS OF INEFFICIENT MANAGEMENT—MOTION UNDER S.O. 43

Mr. Don Manzankowski (Vegreville): Mr. Speaker, in accordance with the provisions of Standing Order 43, I rise to propose a motion for immediate and serious consideration. In light of the Air Canada advertisements carried in major newspapers announcing the deliberate intention to keep one third of passenger seats unsold on DC-8 airliners with the addition of extraneous gratuities, and in view of the CTC decision denying charges of inefficient management giving rise to under utilization of fleet resulting in lost available revenues or avoidable increases in expenditures, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House instruct the Minister of Transport to carry out a thorough and independent investigation of the evidence presented during the CTC public hearings before a final decision is given on the appeal of the CTC decision currently before cabinet.

Mr. Speaker: Order, please. The motion is proposed pursuant to Standing Order 43 and cannot be debated without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HEALTH

SUGGESTED INQUIRY INTO SALE OF TAINTED MEAT—MOTION UNDER S.O. 43

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to submit a motion concerning an extremely current problem which is very important as a matter of interest and urgency.

Considering the sensational and sickening revelations made to the Commission of Inquiry into Organized Crime sitting in Quebec that at least one other province is involved in the trade of tainted meat and the possibility that such traffic could extend to the whole country, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That the House order the government to set up an interprovincial inquiry into the illicit trade of tainted meat.

Mr. Speaker: Order. The House has heard the motion of the hon. member. It requires unanimous consent of the House under Standing Order 43. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent, so the motion cannot be submitted.

* * *

[*English*]

TRANSPORT

SUGGESTED DEPARTMENTAL INVESTIGATION OF ALL DREDGING CONTRACTS LET SINCE 1970—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the government has now asserted in a public document that there was collusion in a venture to dredge the main ship channel of the St. Lawrence river and that the successful dredging company had prior knowledge of the estimate made for the contract by the Department of Transport, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the Minister of Transport be ordered to conduct an immediate departmental inquiry into all dredging contracts let by that department since 1970.

Mr. Speaker: The motion is proposed pursuant to Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

SALE OF CANDU REACTOR TO SOUTH KOREA—POSSIBLE STUDY OF CURRENT POLITICAL SITUATION PRIOR TO DECISION—REQUEST FOR TABLING OF STUDY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister tell us whether in the decision making process with respect to selling a reactor to Korea the department made a special study of the current political situation in that country to help in coming to that decision?

● (1110)

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, at the time the matter was considered the department provided the government with all the information at its disposal with respect to the political situation.

Mr. Gillies: Mr. Speaker, a supplementary question to the Prime Minister. Will the minister table in this House that special report, that information, on the political stability of Korea which the government used in making this decision about the sale?

Mr. MacEachen: Mr. Speaker, my hon. friend knows that advice to the cabinet is not normally tabled in the House of Commons.

SALE OF CANDU REACTOR TO SOUTH KOREA—REQUEST FOR TABLING OF SAFEGUARD AGREEMENT

Mr. James Gillies (Don Valley): Mr. Speaker, a final supplementary for the minister. Given the enormous significance and importance of this matter, and given the fact that there seems to be some feeling that the meetings in Europe on proliferation were not very successful, given the fact that we do not have any understanding now for an on site inspection by the government of Canada, will the minister table the specific terms of the bilateral agreement between Canada and Korea governing the inspection and controls that we are going to have if this sale does in fact go ahead?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, I dispute one premise of the hon. member's statement, that is with respect to the inadequacy or lack of proposed safeguards and inspection system. When such bilateral agreement is completed and when negotiations have been completed on the safeguards aspect, then I will consider the possibility of tabling such an agreement in the House of Commons.

GENEVA CONFERENCE ON NUCLEAR NON-PROLIFERATION TREATY—REQUEST FOR REPORT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, a supplementary question for the Secretary of State for External Affairs. Would the minister undertake to table in the House a report or make a statement on the Geneva conference which I understand issued a statement on the developments in the field of non-proliferation that is highly relevant to the question of the reactor in Korea mentioned by the hon. member for Don Valley?

[Mr. Speaker.]

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows I did participate at the review conference in Geneva because of the importance that Canada attached to the success of that conference. I believe I was the only foreign minister of member countries who did participate in the debate. That was done deliberately to underline the importance that Canada attached to the outcome of the conference. The hon. member has made a very useful suggestion which I will follow up, either by tabling a report in the House on the conference or alternatively I will consider the possibility of making a statement.

SALE OF CANDU REACTOR TO SOUTH KOREA—REASON FOR DECISION PRIOR TO CLARIFICATION OF INSPECTION ARRANGEMENTS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I also have a supplementary question for the Secretary of State for External Affairs. Since the minister does not appear to be clear on what the actual inspection arrangements for the nuclear site are or will be, will he please explain to the House why the government has seen fit to go ahead with the CANDU sale to South Korea?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, we are perfectly clear as to the nature of the safeguards we expect from those who purchase these materials or technology. The nature of the safeguards was fully explained by my colleague last December and these safeguards, of course, will be reflected in a bilateral agreement. No such bilateral agreement will be undertaken by Canada, however, unless these safeguards are adequately provided for. There is no uncertainty on the Canadian side as to the nature of the safeguards.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ESTABLISHMENT OF FRENCH COMPANY IN GRANBY—INQUIRY WHETHER SUBSIDY GRANTED

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

The French company Le Roy-Sommer having decided to invest $10 million in Granby, the largest French investment ever in Canada, can the minister say how much his department awarded in subsidy to assist that project in Granby, the jewel of the Eastern Townships?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I thank the hon. member for giving me notice of this question. The amount of the grant was $1,987,000.

FINANCE

ALLEGED INEFFECTIVENESS OF TAX CONCESSIONS AND FAST WRITE-OFFS TO MANUFACTURING AND PROCESSING INDUSTRIES—GOVERNMENT POSITION

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, my question is for the Minister of Finance but in the minister's absence—and I do not blame him for being absent today in view of that damnable report that was tabled yesterday—I should like to direct a question to the Acting Prime Minister. As, of the firms surveyed, only 26 per cent indicated that the tax measures would have any effect on employment, only 15 per cent indicated that they would have an important or very important effect on their ability to restrain prices, only 32 per cent indicated that there would be an effect on investment and almost half indicated that the tax measures would have any impact at all on any aspect of their company operations—this is a remarkably frank return from business, on which they are to be congratulated—is the Acting Prime Minister now prepared to acknowledge the abject failure of these measures to achieve the effects intended, and will the government be taking this failure into account when the budget is prepared?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am looking across the floor of the House and it seems to me that many opposition members accepted the Prime Minister's invitation to attend the picnic. Without accepting the premise of the hon. member's question, I am wondering if we read the same report. There is an excellent report on business in the *Globe and Mail* this morning which spells out the significant success of the tax measures introduced by this government. I wonder through what end of the telescope the hon. member is looking.

* * *

REGIONAL ECONOMIC EXPANSION

COST OF CREATING A JOB IN DESIGNATED AREA—EFFECT OF CORPORATION TAX MEASURES ON PROGRAM

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I do not know that telescopes are relevant to what we are talking about. The government side seems to be looking through special glasses which show everything as rosy when disaster is in sight. May I direct my supplementary question to the Minister of Regional Economic Expansion, because these tax measures have serious implications for the program for which he is responsible? As the report acknowledges that about $1.8 billion has been spent on the minister's program during the period the report covers, that amount of money having created some 73,000 jobs, at roughly $25,000 per job, mostly in central Canada where there is already heavy industrial activity, can the minister indicate how much it cost to create a job in the designated areas. Is this kind of program working to the detriment of his own program, and is it perhaps destructive to his own program?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, in all that argument there was one specific question, how much did it cost to create a job under the Regional Development Incentives Plan. The cost, on that score, would average perhaps between $5,000 and $7,000 per job created; that is the actual grant; but one would also need to calculate the incentive in relation to the fixed capital cost of the project, and that could go as high as 25 per cent. I will be glad to make that calculation for the hon. member and provide it to him next week.

Mr. Saltsman: Mr. Speaker, I think the minister has probably given us the important information. Does he not consider that spending $25,000 per job created in central Canada, that being the cost in most cases, when he is spending only $5,000 to create a job in the depressed areas of Canada, is destructive of everything his department is trying to do?

Mr. Jamieson: Mr. Speaker, with respect, I think the hon. member misunderstood. I said that the job portion of the incentive grant would range from $5,000 to $7,000; but there is also, in addition to that, a grant which might go as high as 25 per cent of the fixed capital costs. Therefore, the cost of creating a job is not $5,000. I will have to calculate exactly what it is. I suspect, on balance, that it is not significantly different from the $25,000 the hon. member mentioned. I need to look at the figures, to see whether his calculation is correct and whether the deductions he has made from the report are correct.

* * *

CRIMINAL CODE

PROPOSED AMENDMENT TO INCREASE PENALTY FOR USE OF FIREARMS DURING COMMISSION OF OFFENCE—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct my question to the Solicitor General. I read in the press a report of the minister's statement to the effect that he has come to the conclusion that the registration of firearms is not the solution to the problem we face in this nation. Every day, and yesterday was an example, a plethora of gun-toting criminals commit crimes in this country. While the government waits for the purpose of finally arriving at a consensus as to the nature of the legislation that should be brought in, registration or not, will the minister give immediate consideration to bringing in interim legislation, permanent of course in its nature. Anyone engaged in the commission of a crime, by participation or endeavouring in any way to have a firearm for any improper purpose, should be liable, in addition to every other penalty, to a minimum of five years imprisonment without that sentence running concurrently with other sentences and without the sentence being subject to parole. I suggest this to the minister in all seriousness because police officers across the country have given support to the private bill that I introduced some months ago, but which will not of course come up for a long time, a bill to amend the Criminal Code, C-329.

● (1120)

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the story in the press that I have rejected registration

as a means of gun control was incorrect. What I said was that we were looking at many alternatives for gun control and that, while we were still looking at registration as a means of gun control, we were looking at other means as well, means which might be more effective for gun control than registration. I might say we are also looking at the alternative of increasing the sentence, such as was suggested by the right hon. member. However, the work we are doing in our department is from an operational point of view. The responsibility for introducing any legislation, of course, will be with the Minister of Justice and we are working together on this. When we complete our work, our studies, we will hand the results on to the Department of Justice and legislation might or might not be introduced after that.

Mr. Diefenbaker: Mr. Speaker, I directed the question to the Solicitor General because the Minister of Justice has been engaged in some political gun shooting, unsuccessfully, in Saskatchewan in the past few days. I knew the Solicitor General would have the answer.

Mr. Lang: I'm glad you came back.

Mr. Diefenbaker: What did the minister say? I would like to know.

Mr. Lang: I said I'm glad you came back.

Mr. Diefenbaker: I am here all the time. That interruption indicates that the minister has been away. I ask this in all seriousness. While the departments examine, consider, measure and weigh various alternatives, why not bring in immediate legislation effective at once so that those people who carry guns will find that it is a serious matter and one that means immediate imprisonment if found guilty, instead of playing around with this problem. While you play, Canadians are being murdered on every hand.

Mr. Allmand: Mr. Speaker, I should point out that the only reform in gun control we have had in many, many years took place under the Prime Minister when he was Minister of Justice. There was none at all when the right hon. member for Prince Albert was Prime Minister. The first meeting of gun registrars ever held in this country was held last week under my authority. A lot of work is now being done to bring about better control of guns and reduce the amount of crime with guns. I expect a report from the working group under my authority during the summer. I hope we will have action during the fall session.

Mr. Diefenbaker: The hon. gentleman mentions that such legislation was not brought in during my administration but it is under the present administration that there has been a multiplication of murders on every hand and, in particular, hold-ups.

[Mr. Allmand.]

TRANSPORT

DREDGING CONTRACTS—ALLEGATION OF IMPROPRIETY WITHIN PUBLIC SERVICE IN CONNECTION WITH TENDERS—SUGGESTED DEPARTMENTAL INVESTIGATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Transport. In view of the fact that the government's counterclaim in the dredging affair against the three dredging companies carries with it very serious implications of impropriety within the public service, betrayal of public trust, and, indeed, suggestions of bribery, may I ask the minister whether, as a result of the laying of this counterclaim, he has caused an investigation to take place within his own department and whether he intends to take disciplinary action?

Hon. Jean Marchand (Minister of Transport): I am sure that had we decided to make this just an in-House inquiry we would have been accused of hiding something. We decided that a real case should be made so that we might know what happened. What happened was this: there was an estimate made by the department. There were three tenders, one at $8 million, another at $30 million and a third at $20 million. The department's estimate was a little over $18 million—there was a 10 per cent difference between them. However, considering what is going on in this field we thought the matter was serious enough to have the whole thing looked into by the court. This is the best way of doing it and I think the hon. member should be satisfied that we acted in that way.

Mr. McGrath: Since the new question raised is completely different from the matter now before the courts in that it raises suggestions of grave improprieties within the minister's department, has the hon. gentleman taken any action whatsoever to ensure that the public interest will be protected by those responsible for supervising these contracts? If the minister has not done so, perhaps he can explain why.

Mr. Marchand (Langelier): I believe there are four branches within the government which are awarding contracts as a result of the bidding—the Ministry of Transport, the Seaway Authority, the National Harbours Board and the Department of Public Works. So we established a committee of the four to make rules in order to be sure that in the future there will not be this kind of confusion. So do not say we have taken no action. With regard to the case the hon. member mentioned, I believe it is one for the court to decide. I shall await the decision of the court and if it indicates there was any wrongdoing we intend to act, and act rapidly.

ALLEGATIONS OF IMPROPRIETY IN PUBLIC SERVICE IN CONNECTION WITH DREDGING CONTRACTS—RECOMMENDATION OF MINISTER OF JUSTICE

Mr. James A. McGrath (St. John's East): My final supplementary is to the Minister of Justice. In preparing this counterclaim as Attorney General of Canada, did the Minister of Justice, especially since this matter concerned a particular contract exclusively under the jurisdiction of his colleague, the Minister of Transport, recommend to his

colleague that disciplinary or legal action be taken against those in his department who are responsible for these contracts bearing in mind that the question of collusion was raised by the Minister of Justice when preparing the counter suit?

Hon. Otto E. Lang (Minister of Justice): In preparing any documents as legal adviser to the government my officials are, of course, in consultation with the department or departments involved. It would be quite improper for me to comment on a question such as the hon. member has raised, appearing to join the hon. member in any form of unsubstantiated innuendo. As far as the matter before the court is concerned, it would be equally improper for me to comment on that while the case is under consideration. We should simply await the outcome of those proceedings.

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AIRPORTS

PICKERING—REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT CONCERNING FURTHER DEVELOPMENT AND TABLING OF LONG-RANGE PLAN

Mr. Stan Schumacher (Palliser): Mr. Speaker, on February 20 the Minister of Transport told reporters outside the House that he personally thought there would be further development after the first stage of the construction of Pickering Airport had been completed. Is the minister in a position today to say what he meant by that statement, and will he table the government's potential proposals regarding long-range plans for the Pickering airport?

● (1130)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I met with the premier of Ontario and the minister of roads either last week or ten days ago, and the premier asked us what exactly we intended to do in Pickering, since the province is affected, depending on the kind of airport that we build there. I am now preparing a letter to the premier telling him exactly what we want to do, and after that a decision will be made.

Mr. Schumacher: A supplementary question, Mr. Speaker. I wonder whether the minister would advise the House and the country what he will be advising the Premier of Ontario. Would he also take us into his confidence at the same time as he advises the Premier of Ontario what the plans are for the potential development of that airport?

Mr. Marchand (Langelier): Mr. Speaker, I hope I can do that next week.

NATIONAL DEFENCE

PEACEKEEPING FORCE IN MIDDLE EAST—STEPS TO IMPROVE SUPPLY PROCEDURE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Defence. What steps has the minister been able to take to unravel the complicated supply procedures which are frustrating the Canadian peacekeeping force in the Middle East and which apparently originate in New York?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, we have no difficulty supplying our own personnel because they are supplied directly from Canada. We do have some difficulty with the supply of troops of other countries because that supply procedure comes under the United Nations. In order to try to improve the supply, we have had a number of meetings. We have had experts from the Canadian forces travel to New York and talk with UN officials. We are making progress in improving the system, which is essentially one that is beyond our control because it is a United Nations procedure.

Mr. Fairweather: A supplementary question, Mr. Speaker. Would it not be an idea to make a better supply system a condition of Canadian participation? We had other conditions for participation which were very helpful and this might be an idea that the minister could consider.

Mr. Richardson: Yes, Mr. Speaker, this is what we are doing. We are trying to improve the system and are providing our expertise to the United Nations in order to achieve that purpose.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF ALLEGATION OF POLITICAL KICKBACKS IN NEW BRUNSWICK—PERSON INITIATING INVESTIGATION

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I have a question for the Solicitor General of which I have given him notice. In view of allegations of political kickbacks in New Brunswick reported in a *Financial Post* article on November 9, 1974, and the request of the leader of the opposition in New Brunswick for a royal commission inquiry, would the Solicitor General inform the House whether RCMP investigations into the allegations are being actively pursued in New Brunswick at this time and, if so, were these investigations initiated by the RCMP at the Solicitor General's request or at the direct request of the minister of justice for New Brunswick?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, it is correct that the RCMP have investigated those particular allegations which were set out or referred to in the *Financial Post* article some time ago. They did not undertake an investigation at my request. I am not too sure what led to the investigation but I could check that out.

With respect to the royal commission, I think it should be clear that the request for a royal commission was made

to the government of New Brunswick, not to the government of Canada.

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ENERGY

OIL—REQUEST FOR ESTIMATE OF REDUCTION IN CONSUMPTION RESULTING FROM EXCISE TAX ON SMALL BOATS AND PRIVATE AIRCRAFT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Can the minister advise whether his department has any figures to show what limitation on oil consumption has resulted from the special 10 per cent excise tax on small boats and privately owned aircraft?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to check and see.

Mr. Fraser: A supplementary question, Mr. Speaker. A week ago when this question was put to the Minister of Finance, he said he would have to consult with the Minister of Energy, Mines and Resources. Did such consultation take place, and did the Minister of Energy, Mines and Resources give any estimated or precise figures to the Minister of Finance?

Mr. Macdonald (Rosedale): Mr. Speaker, I have not had an opportunity to talk to my colleague about this. I would have to see whether at the departmental level there has been an exchange.

Mr. Fraser: A final supplementary question, Mr. Speaker. Can the minister advise whether the actual effect of this tax will be forwarded to the Minister of Finance before the budget is presented later this month?

Mr. Macdonald (Rosedale): Mr. Speaker, if indeed at this point we have been able to develop any figures on this, I think they obviously should be before the minister. As I said in response to a rather more general question put by the hon. member for Don Valley, it is, of course, very difficult to get a very precise reading on the impact of conservation measures, particularly in light of the increase in the petroleum price that has occurred within the last year.

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[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

SUGGESTION MEMBERS BE SHOWN REPORT OF COMMISSIONERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the President of the Privy Council.

I have examined a report by three academics on the redistribution of electoral boundaries and in that report there are weighty considerations which directly affect the area I represent. Can the minister tell the House whether hon. members will be consulted or see the preliminary report made by the individuals responsible for drafting that redistribution of electoral boundaries before the matter is formally referred to the House?

[*English*]

Hon. Mitchell Sharp (President of the Privy Council): Mr. Speaker, I am not certain of the answer to that question. I do not think the act would require the commissioners to reveal that study, but of course they may do so in their own discretion. It is not a report that has been brought to my personal attention; however, I will make inquiries. I agree with the hon. gentleman that, so far as possible, members of parliament should have a say in decisions to rewrite the electoral map.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question to the President of the Privy Council.

Even though the law does not provide this obligation on the part of the commissioner, since we are after all living in a very democratic system, would it possible, without departing from the law, to allow consultation in order that hon. members who would want to see this preliminary project may make their recommendations on this subject?

[*English*]

Mr. Sharp: Mr. Speaker, I think that would lie within the discretion of the commissioners. I will draw this exchange to their attention.

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REGIONAL ECONOMIC EXPANSION

RURAL DEVELOPMENT COUNCIL OF PRINCE EDWARD ISLAND—REQUEST FOR ASSURANCE OF PARTICIPATION IN SECOND PHASE OF DEVELOPMENT PLAN

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Since the federal-provincial agreement covering the comprehensive development plan for Prince Edward Island specifically decrees, that "direct support is to be provided to voluntary organizations for the conduct of community services and developmental activities in local areas throughout the province" and "the organizational function will be carried out by the voluntary associations, especially the Rural Development Council", can the minister assure the House that a similar clause will be operative in the second phase of the development plan when it is agreed to?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I cannot give that assurance to the hon. member, for reasons that he will understand. The negotiations are presently underway, as I indicated in the House a few days ago. We would only put in a clause of that sort if it were in fact accepted by the province. I have no way of knowing at the moment whether or not that matter is part of the current negotiations, so I am afraid I cannot give a definite answer to the hon. member. We will, of course, as I also mentioned in the House, continue to encourage participation of local groups in the implementation of the second phase of the plan.

Whether specific groups will be identified in the agreement or not is something that can only await the outcome of the negotiations.

Mr. MacLean: A supplementary question, Mr. Speaker. Since the minister allegedly believes in participatory democracy, will he do his best to see that such a clause is included in the agreement; and, on the assumption that it is, what action does he propose to take to assure that such agreements are not abrogated unilaterally by the government of Prince Edward Island.

Mr. Jamieson: Mr. Speaker, I am not sure of the legal grounds that might lead to a claim that there was an abrogation. However, I would think that the mere fact that this action took place only within the last few weeks, after the expiry of the first phase of the agreement, does not constitute an abrogation of the previous agreement.

● (1140)

On the first part of my hon. friend's question, since undoubtedly the negotiations presently underway will be based to some degree on the initial agreement to determine what changes will be necessary, this matter will come up for discussion and I undertake with my hon. friend that I will raise the matter with the premier when he returns and I have an opportunity to discuss it with him.

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IMMIGRATION

MEASURES TO IMPROVE PROCEDURE FOR ADMITTING VIETNAMESE REFUGEES—POSSIBLE GRANTING OF FOOD VOUCHER TO GENERAL QUANG

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister of Manpower and Immigration but in his absence I shall direct it to the acting minister. In view of the fact that Tran Van Quang was given clearance to enter Canada after a two-minute interview by a Canadian immigration official at Port Chaffey on May 14, and in view of the fact that on the same morning this immigration official processed Quang he also processed 200 other Vietnamese refugees, what measures has the government taken to vastly improve our whole immigration procedure with regard to admitting refugees into Canada? I should also like to know whether General Quang was given a $10 food voucher for his trip to Canada?

Hon. Otto E. Lang (Acting Minister of Manpower and Immigration): Mr. Speaker, I will be happy to check the various allegations the hon. member has either made or indicated by way of his question. Of course, in processing application for entry to Canada a good deal of attention is paid to all the questions involving eligibility for entrance. In the case of refugees these issues are sometimes handled in a slightly different way in order to expedite entry, but matters such as health and security are always looked into. I shall be glad to report to the hon. member.

REASON FOR HASTE IN PROCESSING VIETNAMESE REFUGEES

Mr. Derek Blackburn (Brant): Mr. Speaker, could the Acting Prime Minister inform the House, since these refugees were safe in the United States why there was so much haste in getting these 200 across our borders. General Quang had been there only 11 days. Why was there only one Canadian official at that port to process all those refugees?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will refer this question to the minister. I am sure he will provide all the necessary answers. I would remind the hon. gentleman that the government was under the very greatest pressure from time to time to admit refugees into this country from many countries including Viet Nam. I recall, since I was Acting Prime Minister at the time, the very serious criticism made of the Canadian government for not expediting these entries.

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TRANSPORT

PROPOSED IMPROVEMENT OF PORT SYSTEM—INQUIRY AS TO IMPLEMENTATION

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Transport. The throne speech indicated that the government was prepared to undertake a number of new initiatives immediately to improve transport services in Canada which would not in any way prejudice the review of basic transportation policy which is to come. One of these new measures was the introduction of legislation to provide for the most efficient port system for Canada compatible with local, regional and national interests. In light of recent statistics reporting lower tonnage for the first four months of 1975 and for the year earlier for the Port of Vancouver, may I ask the minister when this particular throne speech promise of legislation providing the most efficient port system will be introduced?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will make a list for the hon. gentleman of what we have done up to this point as soon as I can supply it to the House. I know we worked with the province of New Brunswick, for example, we run the terminal. We worked with the government of British Columbia and we worked with the government of Manitoba in respect of a certain aircraft, the name of which I do not recall. If the hon. member will give me a chance to compile a list I will supply it to him.

ALLEGATION STEVEDORES AT MONTREAL DAMAGED BAGS OF WHEAT DESTINED FOR ETHIOPIA AND SOMALIA—REQUEST FOR INVESTIGATION

Mr. Gordon Towers (Red Deer): Mr. Speaker, would the minister have an investigation initiated into the allegations by a spokesman of CIDA that stevedores at the Port of Montreal wilfully damaged bags of wheat destined for Ethiopia and Somalia?

Hon. Jean Marchand (Minister of Transport): I am sorry, Mr. Speaker; would the hon. member please repeat his question because I did not exactly understand it.

Mr. Towers: Mr. Speaker, will the minister have an investigation initiated into the allegations by a spokesman of CIDA that stevedores at the Port of Montreal wilfully damaged bags of wheat destined for Ethiopia and Somalia and will he tell us who will underwrite the cost?

Mr. Marchand (Langelier): I will inquire, Mr. Speaker. This is the first time I have heard about it. CIDA never got in touch with me about this. I will check into it and try to determine what it is all about.

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EXTERNAL AFFAIRS

REQUEST FOR REPORT ON EFFORTS TO RELEASE MISSIONARIES HELD CAPTIVE IN VIET NAM

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Acting Prime Minister and also in his capacity as Acting Secretary of State for External Affairs. In view of the fact that the Canadian embassy in Paris has now entered into negotiations with the PRG in Viet Nam, can the minister advise whether any representations have been made on behalf of missionaries held captive as prisoners of war including Canadians Norman and Joan Johnson? Can the minister report any progress in securing the release of those held captive contrary to all the previous promises and commitments of the communist forces?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will pass on this inquiry to the minister and to the department. I know they have been following these cases very closely. As you know, we have not yet been able to re-establish diplomatic relations with the government of South Viet Nam although we have recognized that government.

Mr. O'Sullivan: Mr. Speaker, in view of the fact that these missionaries have now been held for two and a half or almost three months, and in view of the fact that the minister replied in the House on May 7 that he could assure us that the government would do everything possible to secure their release, would the minister tell us what is "everything possible"?

Mr. Sharp: That is a very difficult term to define, Mr. Speaker. It is whatever is possible under the prevailing circumstances.

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AGRICULTURE

SUGGESTED INCREASE IN RESEARCH GRANTS TO UNIVERSITIES AND STUDY OF DUPLICATION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Agriculture. Will the minister consider allocating more of his funds under the Department of Agriculture to universities, and will he study the matter of the duplication of facilities and grants under this program?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, our programs in respect of universities are as good as those of any developed country in the world and better than most. I think there are only two countries in the world which surpass us in so far as government research is concerned.

An hon. Member: That is not true.

An hon. Member: You do not know what you are talking about. Give us some figures.

Mr. Speaker: Order, please. The hon. member for Wellington-Grey-Dufferin-Waterloo.

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PUBLISHING

MINISTER'S KNOWLEDGE OF ALLEGED INVOLVEMENT OF MR. NICHOL AND MR. WYLIE IN PURCHASE OF "TIME" CANADA

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Secretary of State. What involvement if any is the minister aware of by Mr. John Nichol and Mr. Toerrance Wylie with respect to the purchase of *Time* Canada if the government's legislation concerning *Time* and *Reader's Digest* should become law, and when did he first become aware of this involvement if they, in fact, are involved?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, I am not aware of any involvement at all.

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HOUSING

DATE OF MEETING WITH PROVINCIAL MINISTERS—REQUEST OF ONTARIO FOR ADDITIONAL FUNDS TO STIMULATE HOUSE CONSTRUCTION

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the urbane Minister of State for Urban Affairs. In view of the fact that the minister has been unable to fulfill his past commitments to meet with the provincial ministers responsible for housing, does he have any plans to meet with these ministers in the near future, and if so, when?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I am hopeful that there will be continuing consultation. As I said at the Housing Ministers' Conference in January there will be meetings this year. We will be meeting on Tuesday. It will be an informal meeting of the other housing ministers.

Mr. Alkenbrack: Mr. Speaker, what moves has the government made to meet the informal request of the Ontario government to supply additional funding in order that the stagnating housing industry may be stimulated?

Mr. Danson: Mr. Speaker, indications are that the stagnating housing industry has been stimulated and is moving along quite quickly. I hope to have new figures in the early part of next week which give every indication of being very encouraging.

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● (1150)

[*Translation*]

OLYMPIC GAMES

INQUIRY WHETHER GOVERNMENT WILL CONTRIBUTE TO FINANCING

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the President of the Treasury Board and the Postmaster General.

The President of the Treasury Board having stated last Friday that the government is considering requests from COJO for additional sources of revenues and the Postmaster General having said yesterday that a bill will soon be introduced regarding financing, can the President of the Treasury Board or the Postmaster General say what is the exact nature of the measure, whether it will help increase COJO revenues, which I think would be quite normal? I would like them to tell the House what is the exact nature of the bill to be introduced.

Hon. Jean Chrétien (President of the Treasury Board): Mr. Speaker, obviously any legislation we would bring before the House would be to help COJO get more revenues. That is the very nature of the bill. However, we are not ready yet to introduce it and I hope, as my distinguished colleague the Postmaster General said, that we shall be able to do so in the next few days.

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[*English*]

HOUSING

CENTENNIAL PROPERTIES SENIOR CITIZENS PROJECT IN HALIFAX—PAYMENT OF SUBCONTRACTORS—REQUEST FOR REPORT

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. A week ago I asked the minister to investigate the construction of a senior citizens project in the city of Halifax, funds for which have been advanced by CMHC, by the Centennial Properties, a firm of questionable reputation. The minister said he would look into it. Has he any report to make on his investigation?

Hon. Barney Danson (Minister of State for Urban Affairs): I have looked into it, Mr. Speaker. There have been some difficulties with labour relations and other problems of which the hon. member may be aware. I am advised by CMHC that the first property will be opened about the middle of this month and the second about the middle of July. I was in Halifax on Wednesday and discussed this with the local office and with the premier. I hope we can meet those deadlines. Frankly, I am not that confident at this moment, but I am working toward it.

Mr. Gilbert: Mr. Speaker, I was also advised that some of the subcontractors on the projects have not been paid since the month of December. Have those subcontractors been paid so that they may proceed with the job?

Mr. Danson: No, Mr. Speaker, not to my knowledge. I do not know about all the subcontractors but my understanding is that some have not yet been paid.

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ENVIRONMENTAL AFFAIRS

SPRUCE BUDWORM CONTROL PROGRAM—SUGGESTED RECONSIDERATION OF DEPARTMENTAL DECISION NOT TO PARTICIPATE

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I would like to follow up on my previous questions to the Minister of the Environment and ask the parliamentary secretary to the minister if the department has reconsidered its earlier decision not to participate in spruce budworm control programs which is related to other ecological and environmental considerations, especially in New Brunswick where millions of evergreens are being chewed up right now.

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I will have to check with the department to see if in fact the program is being reconsidered. I know that so far as research in the control of budworm is concerned, the department is certainly participating, but I will be happy to make representations.

An hon. Member: When the trees are gone, you will know how to control it.

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HOUSING

ROCHDALE COLLEGE—REASON FOR DELAY IN IMPLEMENTING PLANS FOR USE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the government's takeover some time ago of the complex in Toronto referred to as Rochdale College and known in Toronto as the drug haven, and considering that these premises are now almost vacant and as such a burden to the taxpayer, can the minister explain his plans for this complex? Can he advise the House why it is taking so long to implement plans, particularly in light of the critical housing shortage and shortage of accommodation in metropolitan Toronto?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, today is D day at Rochdale when the trustees are supposed to give CMHC vacant possession. As the hon. member knows, CMHC simply held the mortgage and until this time they did not have ownership of the building. Ownership should become effective today. The plan is to make arrangements with other levels of government or with private groups with whom we are in

consultation to make certain the building is put to the best social use. I am biased towards making it into a senior citizens home because the building lends itself to it. But a considerable amount of repairs will have to be carried out to put the building into shape. We want to make the maximum social use of it as early as possible.

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NATIONAL DEFENCE

VOODOO CF-101 AIRCRAFT—POSSIBILITY OF CONTINUED USE AS FIGHTER

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. The Voodoo CF-101, described yesterday by a Liberal backbencher with some accuracy as being outdated and worn out, has not been operational in the U.S. regular air force for years and has not been used by the U.S. national guard for years, except as a rescue plane. Does the minister still claim that it is good enough for another five years as a first-line fighter aircraft in the Canadian armed forces?

Hon. James Richardson (Minister of National Defence): Yes, Mr. Speaker. The Voodoo 101 is still a very capable intercepter aircraft. We intend to continue its use in the Canadian armed forces.

An hon. Member: It is great for aerial acrobatics.

WESTERN CANADIAN AIR DEFENCE CONTROL CENTRE—DATE WHEN OPERATIONAL

Mr. Allan B. McKinnon (Victoria): As a balance to the disastrous Voodoo story, the minister boasted that Canada is taking over control of our air defence in western Canada. I think the time frame is important in this regard. Can the minister inform the House when the Western Canadian Control Centre will be in full operation? Would four or five years from now be a likely date?

Hon. James Richardson (Minister of National Defence): The construction of the Western Canadian Control Centre is scheduled to start next year, and the acquisition of the equipment with which it will be equipped will also be started next year. I do not think a date for its completion has as yet been established.

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SPORTS

FINANCIAL ASSISTANCE FOR ATHLETES PARTICIPATING IN OLYMPICS

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the report that our Olympic athletes are broke and embittered, can the minister say if the additional financial assistance which he announced last week is considered adequate to meet the needs that have been illustrated, and, if not, whether other speedy remedial action is contemplated to assist those of our Canadian Olympic athletes who find themselves in financial difficulties resulting from their devotion to rigorous training schedules?

[Mr. Danson.]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have read with some interest a series of articles in a daily newspaper this week which did not seem to have been aware of the press release issued last week by my department announcing substantial increases in the funding for Canadian athletes who are of international standards. I will have copies of that press release sent to the particular newspaper to make sure that they are made aware of the situation, since they do not seem to read those papers in which these things are reported.

So far as the second part of the question is concerned, the Canadian Olympic Association has announced it would take the responsibility for the non-students among our Olympic athletes. I expect them to be in a position to make an announcement very shortly on this subject; there is every indication that they will be in a position to meet the needs that have been expressed in this area. So far as my own area of responsibility is concerned which we have divided with the Canadian Olympic Association, as I indicated previously in the House, we have made an individual review of all the cases of apparent hardship, and special steps have been taken to take care of those particular cases.

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NATIONAL PARKS

ENTRANCE FEES—COMPLAINTS FROM RADIUM AND INVERMERE REGARDING REDUCED BUSINESS REVENUE—HONOUR SYSTEM FOR THROUGH TRAFFIC

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and it follows on the grievance expressed last night at the conclusion of the debate by the hon. member for Winnipeg North Centre. Has the minister replied as yet to the representations made from Radium and Invermere concerning problems following the imposition of a complex and increased fee schedule for Canada's national parks, both with regard to confusion at the gates and to the sharply reduced revenue reported by businesses operating within the parks?

Hon. Judd Buchanan (Minister of Indian Affairs and Northern Development): Mr. Speaker, as far as I know, I have not received representations from Radium. But generally, the system we are using, particularly in the western parks, regarding the fee schedule has not been changed for many years. There has only been a change in the amount of fees. So far as visitation to the parks is concerned, the number of visitors was down in April but it was up substantially in March, which we think is a reflection of the fact that Easter was in March this year rather than in April. Figures show an increase of 12.24 per cent for Revelstoke and slightly over 4 per cent growth for Banff during the month of May. So we do not think this reflects a diminution in visitation.

Mr. Johnston: Has the honour system for the through traffic broken down?

● (1200)

Mr. Buchanan: We hope not, but this is something that we may well encounter difficulties with because there are several other parks, particularly in the Atlantic provinces, where we will have to be relying on the honesty of the person passing through when he or she states that that is all they are doing. We are simply going to have to work with it.

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I feel that I must take a moment to reply to the cheap political remark made by the hon. member for Sarnia-Lambton (Mr. Cullen), for which he has become well known recently in this House, when he called attention to some of the empty seats on the opposition benches. I simply want to advise him that the occupants of some of those seats have already left for what appears to be a very successful caucus in Halifax. That is where the Leader of the Opposition (Mr. Stanfield) has gone. He left at about eleven o'clock, and I would also like to advise the hon. member that he travelled on Air Canada.

Some hon. Members: Hear, hear!

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, if I offended the sensitivity of the hon. member, I am sorry. It is shameful that someone in this House should speak in a political way.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF CORRESPONDENCE WITH MANITOBA CONCERNING NELSON RIVER TRANSMISSION SYSTEM

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41 (2) I would like to table two copies in both official languages of an exchange of correspondence between officials of the Government of Canada and the government of Manitoba relating to the Nelson River Transmission System.

I understand that a similar tabling will take place in the Manitoba Legislature today.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an astrisk.)

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the following questions will be answered today: 1,907, 2,253, 2,352, 2,361, 2,383, 2,415, 2,424 and 2,493.

Order Paper Questions

Mr. Speaker, if questions Nos. 1,283, 2,231 and 2,462 could be made orders for return, these returns would be tabled immediately.

Mr. Speaker, would you be so kind as to call starred question No. 2,455?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

FRENCH EDITION OF "READER'S DIGEST"

Question No. 1,907—**Mr. Herbert:**

1. Will the proposed changes to Section 19 of the Income Tax Act be applicable to the French language periodical *Sélection du Reader's Digest*?

2. Was the periodical published continously in Canada since 1947?

3. Is the periodical published at a loss according to the statements of the publishers?

4. Is the government concerned that the periodical *Sélection du Reader's Digest* may cease publication in Canada?

5. What measures are contemplated to assist the French language magazine industry in Canada?

Hon. James Hugh Faulkner (Secretary of State): 1. Yes.

2. Yes.

3. No.

4. The government is not persuaded that its proposed amendment will result in such financial loss to the Reader's Digest Association (Canada) Ltd. that *Sélection du Reader's Digest* would cease publication.

5. The Canada Council operates a number of programmes of assistance to the periodical industry in Canada. Funds are made available to periodicals of a literary, artistic or cultural nature in order to defray operating costs. Further, $1.5 million has recently been made available to the council in order that it increase the level of support to the promotion and distribution of both books and magazines in Canada.

APPLICATIONS SUBMITTED UNDER VETERANS LAND ACT

Question No. 2,253—**Mr. Marshall:**

1. (a) How many applications were submitted under VLA between April 1, 1974 and March 31, 1975 (b) how many were new applications (c) how much money was involved (d) what proportion of money was allocated at 31/2 per cent?

2. Was the survey carried out by the Newfoundland and Labrador Provincial Command of the Canadian Legion completed and, if so, what arrangements were made to provide funding to carry-out the necessary repairs?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. (a) 6,510. (b) 4,234. (c) $65,366,020 was encumbered. (d) $24,856,243.

2. It is understood the survey undertaken by the Newfoundland and Labrador Provincial Command of the Royal Canadian Legion was completed recently but a copy of the final report has not been submitted for consideration.

Order Paper Questions

FEDERAL-PROVINCIAL COMMITTEE ON HUMANE TRAPPING

Question No. 2,352—**Mr. Clark (Rocky Mountain):**

1. (a) What are the names of the individual members of the Federal-Provincial Committee on Humane Trapping and, in each case, what agency, department or organization does each represent (b) what are the dates and locations of each of the meetings of the Committee (c) how many new traps (i) have been tested (ii) are being tested (iii) are awaiting testing (d) what are the precise terms of reference of the Committee (e) who is the coordinator of the Committee and what are his specific functions (f) how many (i) mechanical laboratories (ii) biological laboratories does the Committee have at its disposal and where is each located?

2. Is it the intention of the Committee to recommend more humane traps to the provinces and, if so, on what date?

Mr. Len Marchand (Parliamentary Secretary to Minister of the Environment): 1. (a) Mr. John Brubacher, Ontario Ministry of Natural Resources, (Chairman); Mr. Marcel Beaudet, Quebec Department of Tourism, Fish and Game; Mr. G. A. Kemp, Alberta Department of Lands and Forests; Mr. Russell Hall, Northwest Territories Game Management Division; Mr. David Gimmer, Federal Department of Indian and Northern Affairs. (b) September 23, 1973, Winnipeg; November 6 and 7, 1973, Ottawa; January 22, 1974, Ottawa; March 11, 12, 14, 15, 1974, Toronto; March 28, 29, 1974, Toronto; May 16, 1974, Toronto; October 16-17, 1974, Toronto; February 1-2, 1975, North Bay. (c) (i) 3; (ii) 3; (iii) 56 (as of May 1, 1975). (d) The Federal-Provincial Humane Trapping Committee, at its founding meeting in Winnipeg, September 24-25, 1973 was directed to: —establish its long and short term objectives; —prepare a budget; —obtain a co-ordinator for the program and proceed with the work of establishing engineering and biological criteria for humaneness in traps and trapping techniques; —prepare to have prototypes of new trapping devices made; —have traps tested and evaluated and report to provinces and territories on the results. Responsibility for arrangements for field testing of new or modified traps was also assigned to the committee. Communication and education were considered to be an essential part of the program. The committee's long term goal was expressed as follows: Within a maximum of five years, to recommend to provinces traps and trapping techniques for all fur-bearers which will, insofar as the state of science or the art will allow, provide the greatest humaneness in holding or killing fur-bearers; to maintain throughout the program communication with governments, interested persons or groups and news media. The shorter term objectives of the committee were expressed as follows: (i) to prepare and gain acceptance of budgets, (ii) to employ a co-ordinator, (iii) to assure that the functions such as co-ordination, liaison, trap development and testing, trapper education, public information and audit of performance of co-ordinator are all performed and that interim targets are met, (iv) to report to parent body—the Federal-Provincial Wildlife Conference, (v) to assure good communication with governments, interested groups, and news media, (vi) to assure that targets are met and that the goal is reached. (e) The co-ordinator is Mr. Peter Storms and his functions are; under the general direction of the committee chairman, the co-ordinator is responsible for: —gathering and collating information on traps, and trapping and circulating all public information to interested groups and individuals; —co-ordinating activities in the field of trap design by working with governments, manufacturers and consultants to achieve acceptable specifications; —arranging for the manufacture of prototypes and for their field research and testing; —co-ordinating the final stage of development by recommending and implementing an appropriate manufacturing arrangement and investigating the legal implications related to patents, rights, and manufacturing; —compiling all the resulting information from this project in terms of design, efficacy, humaneness, specifications, manufacture and distribution in a published form for the guidance of provincial governments in enacting appropriate legislation. (f) (i) Mechanical testing is being carried out by Canadian Standards Association, Rexdale, Ontario, under contract with the Canadian Wildlife Service. (ii) Biological testing is being carried out by the Ontario Veterinary College, Guelph, Ontario, under contract with the Canadian Wildlife Service.

2. Yes. The committee's objective is to provide reliable information to the provinces and territories in 5 years or less.

[Mr. MacDonald (Cardigan).]

CBC—BILINGUALISM

Question No. 2,361—**Mr. Brisco:**

1. Since the Official Languages Act came into force on August 1, 1972, by province, how many (a) Anglophones have been hired by CBC and, how many (i) underwent immediate French-language training (ii) completed French-language training (iii) passed French-language training (b) Francophones have been hired by CBC and, how many (i) underwent immediate English-language training (ii) completed English-language training (iii) passed English-language training?

2. How many employees of CBC (a) are fully bilingual (b) have undergone language testing?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. (a) and (b). In order to answer these questions, CBC would have to examine the employment records of every employee hired since August 1, 1972. This would involve an inordinate amount of time, work and expense.

2. (a) See reply to part 1. (b) Testing is carried out only if an employee is to be given language training. Seven hundred and sixty seven employees have undergone such training since 1969.

DAIRY CATTLE DESTROYED BECAUSE OF BRUCELLOSIS

Question No. 2,383—**Mr. Schellenberger:**

1. How many dairy cattle have been destroyed by the Department of Agriculture for brucellosis or bang's disease in each of the past five years?

2. What was the average reimbursement paid per cow in each of the past five years?

Hon. E. F. Whelan (Minister of Agriculture): 1. Departmental records are not maintained in such a manner as to distinguish between dairy and beef cattle ordered destroyed. However, the total number of cattle destroyed are as follows:

Fiscal Year	No. of Animals
1970—71	3,884
1971—72	3,806
1972—73	4,100
1973—74	8,849
1974—75	14,622

2. The following are the average amounts of compensation paid for dairy and beef cattle of all ages.

Fiscal Year	Average Compensation Paid
1970–71	$105.47
1971–72	$106.67
1972–73	$115.47
1973–74	$144.29
1974–75	$203.58

MINISTER OF AGRICULTURE'S SPEECHES

Question No. 2,415—**Mr. Cossitt:**

Since becoming Minister of Agriculture, how many of his speeches has the present Minister had printed at public expense and distributed to various persons (a) to how many persons was each distributed (b) what was the approximate cost of each distribution (c) what is the total estimated cost to date of all distributions that have taken place?

Hon. E. F. Whelan (Minister of Agriculture): 179. (a) The distribution averages 2,250 copies. (b) $347. (c) $62,113.

CBC COVERAGE OF PRINCE CHARLES IN NORTHWEST TERRITORIES

Question No. 2,424—**Mr. Cossitt:**

1. How many CBC personnel from the English language radio and television networks were assigned to cover the visit to the Northwest Territories of Prince Charles and what are their names and job functions?

2. How many CBC personnel from the French language radio and television networks were assigned to cover the visit to the Northwest Territories of Prince Charles and what are their names and job functions?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. For the CBC English radio network—one person covered the visit to the Northwest Territories. Three persons were assigned by the CBC English television network. As for their names and functions it has not been customary to require the CBC to supply such details of its internal management and administration.

2. The CBC French radio and television networks made use of news agency stories of the visit to the Northwest Territories.

*MONEY SUPPLY IN CANADA FOR EACH YEAR 1970 TO 1975

Question No. 2,455—**Mr. Diefenbaker:**

What was the total amount of the money supply in Canada on the lst day of January in each of the years 1970 to 1975, inclusive?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this question was placed by the Right Hon. member for Prince Albert (Mr. Diefenbaker) and the answer is somewhat lengthy. I have given him a written copy. In light of that I wonder if the answer could be taken as read and it could appear in *Hansard* as if it had been read?

Mr. Speaker: Is it agreed that the answer should be tabled and printed in *Hansard* as if read.

Some hon. Members: Agreed.

[*Editor's Note: The answer to the above question is as follows:*]

Data on the money supply in Canada are not available as at January 1, unless that date falls on a Wednesday as happened in 1975. The following table therefore shows information as at the last Wednesday of each year from 1969 to 1973.

The total money supply is usually defined to include currency outside banks and Canadian dollar chartered bank deposits, net of estimated Canadian dollar items in transit. Two other frequently used definitions of the money supply are shown below for comparative purposes: Currency and privately-held Canadian dollar deposits, defined as currency outside banks plus total Canadian dollar chartered bank deposits less Government of Canada deposits. Currency and demand deposits—currency outside banks plus chartered bank demand deposits. This narrow definition concentrates on the forms of money that are most readily usable for making payments.

Currency and Canadian Dollar Chartered Bank Deposits
(Outstanding Amounts, Millions of Dollars)

	Currency and Total Canadian Dollar Deposits	Currency and Privately-Held Canadian Dollar Deposits	Currency and Demand Deposits
December 31, 1969	29,214	27,906	9,342
December 30, 1970	32,161	30,795	9,811
December 29, 1971	38,296	35,837	11,763
December 27, 1972	43,564	41,024	13,142
December 26, 1973	51,227	48,859	14,843
January 1, 1975	62,124	57,442	15,772

FRENCH AND ENGLISH SPEAKING IMMIGRANTS

Question No. 2,493—**Mr. Herbert:**

1. Does the Department of the Secretary of State have a record of the official language spoken by immigrants at the time that Canadian citizenship is granted?

2. In each of the past five years, what was the total (a) in the Province of Quebec (b) in the Constituency of Vaudreuil, of those immigrants who received their Canadian citizenship and were listed as (i) French language (ii) English language?

Hon. James Hugh Faulkner (Secretary of State): 1. No.

2. (a) No record; (b) No record.

Old Age Security Act

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT LISTS OF INDIVIDUALS FOR DIRECT MAIL CAMPAIGNS

Question No. 1,283—**Mr. Beatty:**

1. For each department, agency and Crown corporation, does the government prepare lists of individuals that are obtainable by private organizations and can be used for direct mail campaigns?

2. In each case (a) what information is contained in the list (b) how many names are contained (c) what is the cost of obtaining these names (d) how can they be obtained by private organizations (e) what conditions are attached by the government to the use of the list?

Return tabled.

COST OF SERVICES OF MR. GOULD AND MR. LANG TO DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Question No. 2,231—**Mr. Beatty:**

1. By year since 1972, how many cases did Mr. Roy Gould, Q.C. and Mr. John Lang of Kitchener, Ontario prosecute on behalf of the Department of National Health and Welfare?

2. For the same years, how much money was received by each for his services on behalf of (a) the Department (b) other departments, agencies, boards, commissions and Crown corporations?

Return tabled.

SCIENCE AND TECHNOLOGY PROGRAMME COMPETITIONS

Question No. 2,462—**Mr. Andre (Calgary Centre):**

1. How many competitions or positions are available in the Science and Technology Programme of the Public Service Commission under competition numbers (a) 75-STP-28(82) (b) 75-STP-06(82) (c) 75-STP-32P(82) (d) 75-STP-32B(82)?

2. What is the specific salary range of each such position?

3. In which department is each such position available and in what division or branch?

4. Have any of the positions been filled and, if so, in each case (a) in which department is the position located (b) what is the salary of the person hired (c) was the winning competitor a public servant in the position that he or she held immediately prior to winning the competition (d) what was his or her salary?

Return tabled.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

AMENDMENT TO PROVIDE FOR PAYMENT OF SPOUSE'S ALLOWANCE TO PERSONS SIXTY TO SIXTY-FOUR

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-62, to amend the Old Age Security Act, to repeal the Old Age Assistance Act and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Sharp: Mr. Speaker, on a point of order, you will recall that a question was raised by the hon. member for Peace River (Mr. Baldwin) about the adequacy of the royal recommendation, and it was raised again by the hon. member for Hamilton West (Mr. Alexander). I think I could have argued that the recommendation was adequate, particularly since in a case like this the executive is responsible both for the legislation and for the recommendation, which was meant to be a general description of what was included in the bill.

However, so that the passage of this bill, which I think will command general support, is not impeded I have arranged for a substitute recommendation which I gather, Mr. Speaker, is in your hands. I would ask leave to have this new recommendation printed and to have it taken as the effective recommendation.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not share the sanguine view of the President of the Privy Council (Mr. Sharp) with respect to the original royal recommendation. I must say that I am rather happy this has happened. I do not want Your Honour or the President of the Privy Council to take that expression of mine as an indication that we are completely happy with the bill as it stands; it does have certain discriminatory aspects, which will be dealt with in detail by the hon. member for Hamilton West (Mr. Alexander). But we are anxious to get this bill on, and on that basis we are prepared to give our consent.

However, I think it is very important that in future the President of the Privy Council is rather careful about documents to which he puts his pen, because it could cause confusion and some difficulty later if legislation happened to slip through with that kind of inadequacy in it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we are, of course, dealing with a technicality and not with the substance of the bill. We have no objection to a substitute royal recommendation which would more directly reflect what is in the bill. But I am concerned about the reference made by the hon. member for Grenville-Carleton (Mr. Baker) to the pen of the President of the Privy Council (Mr. Sharp). If it is a new royal recommendation, I hope it is signed by the Governor General.

Mr. Speaker: The fact of the matter is that it is signed by both of them, I am given to understand.

Mr. Alexander: Mr. Speaker, I would just like to make one point. I am not here to argue with the government House leader, but I just wonder whether he can assure us that the royal recommendation is now in conformity with the intent of the bill. I think this is extremely important. After all, he has had two kicks at the cat in this regard.

If I recall correctly, on June 2 the recommendation referred to married persons; there is no doubt about that. On June 3 it referred to married persons; there is no question about that. At that particular time the minister changed the ages from 59, I think, to another age, to 60 to 64.

But not having seen the recommendation and not being in a position to determine that the government is not still making boobs, particularly when we notice that the bill refers to spouses and there is no reference to marriage whatsoever—it is only by way of implication—I hope the minister has not made another mistake. I do not know

whether the Minister of National Health and Welfare (Mr. Lalonde) is reading the recommendation without seeing the bill, or reading the bill without seeing the recommendation. We are very concerned about the sloppiness which has occurred with respect to this particular bill.

Mr. Knowles (Winnipeg North Centre): How about reading it?

Mr. MacLean: Mr. Speaker, that is my point. I think the substitute royal recommendation should be read either by Your Honour or by the President of the Privy Council (Mr. Sharp) so that we will know to what we are agreeing.

Mr. Speaker: For the benefit of hon. members, I have here a letter of transmission from the office of His Excellency and it makes reference to the following recommendation:

His Excellency the Governor General recommends to the House of Commons a measure to amend the Old Age Security Act to provide that payments of benefits under the act be made out of the Consolidated Revenue Fund as a statutory appropriation; to authorize an agreement upon prescribed terms with a province where benefits payable in that province similar to or supplementary to those payable under this act may be combined with payments to recipients under this act and paid on behalf of that province; to define "spouse" in the manner prescribed; and in the manner prescribed, to provide after September, 1975, for the payment of spouse's allowances to persons 60 to 64 inclusive.

Is there unanimous consent to the filing of the amended recommendation?

Some hon. Members: Agreed.

● (1210)

Mr. Alexander: Mr. Speaker, I am quite surprised that the minister has not attempted to make a statement in this regard.

Mr. Speaker: Order, please. May I point out to hon. members that at the moment I called for the adoption of the motion I noticed the hon. member for Hamilton West (Mr. Alexander) rising on my left and the hon. Minister of National Health and Welfare (Mr. Lalonde) turning to his right. He was engaged in a conversation of some kind and I did not know whether he intended to rise and speak on the bill first. Is it agreed that the minister shall proceed?

Some hon. Members: Agreed.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I did not rise immediately in my place because I thought the hon. member for Hamilton West (Mr. Alexander) was rising once again on one of his numerous points of order, questions of privilege and the type of question that he raises on all matters. I felt that, with due deference, I would give him first chance to have a crack at whatever he wanted to say.

It gives me great pleasure to open debate today on Bill C-62 which would amend the Old Age Security Act and repeal the Old Age Assistance Act as well as amending all related acts. As hon. members are aware, the main feature of this bill is to provide income-tested allowances to spouses aged 60 to 64 of old age security recipients, to become effective October 1 of this year. This measure, which was announced in the Speech from the Throne of this thirtieth parliament, will permit the government to pay a monthly allowance to some 65,000 to 90,000 spouses of old age security pensioners who are in the most need of income.

Such a step, Madam Speaker, is in the tradition which Liberal governments have established in their treatment of our senior citizens and I should like to outline briefly the steps which have led to this latest measure. Since 1927, when parliament approved the old age pension act under which the federal government paid 50 per cent of the cost of a means-tested pension administered by the provinces, the improvements have been such that the federal government has assumed total responsibility for old age pensions. The means test gave way, on the recommendation of the 1950 joint parliamentary committee, to a universal flat-rate type of pension with eligibility based solely on age and residence. The same criteria remain in force today.

The next fundamental step was the establishment, in 1966, of the guaranteed income supplement, which was initially intended to be a transitional program for those who had little or no opportunity to participate in the Canada or Quebec pension plans established at the same time. In 1970, however, it was converted to a continuing program to guarantee a minimum level of income to Canada's pensioners. Such a move, Madam Speaker, is in keeping with a traditional value in our society which couples a benefit of right with a supplemental payment for those who most need it.

Two years later, in 1968, both the OAS and GIS payments were increased annually, with a 2 per cent ceiling accounting for rises in the consumer price index; the ceiling was removed in May, 1972, to allow for full escalation. As most members are aware, such escalation was changed to a quarterly base in October of 1973 to allow for even more rapid response to changes in the consumer price index on behalf of our senior citizens.

A short look back to 1967, when the GIS payments began, shows that the basic pension was then $75 per month, with a supplement of $30. The figures for July of this year stand at $125.76 for the basic pension, with a GIS of $88.21 for single pensioners giving a total per month of $213.97; and a GIS of $78.34 each at the married rate, giving a total income of $408 per month for a couple. It does not require much of a mathematician, Madam Speaker, to see that in those eight years the guaranteed minimum payment for Canada's pensioners has doubled and is now payable at age 65 rather than 68 as was the case in 1967.

The bill which is before us today represents one more fundamental step in improving the income security of Canada's old age security recipients. The plight of a couple, one of whom receives the old age pension and one who does not, is often brought to our attention. The spouse is, in most cases, not a member of the work force and highly unlikely to be employed in any case. Indeed, in these days of a call for earlier retirement, about which many serious reservations have been expressed, it can and does happen that employees are retired from work earlier than they would choose and when they could still have years of productive work ahead of them.

We tend to forget, Madam Speaker, that while the professional person—the doctor, dentist, lawyer, etc.—can choose his retirement age, those on salary or wages, usual-

ly considerably less than those of the professional, are retired at an age to be specified by a union, employer or other outside and totally arbitrary force. Such cases can and do present hardships and it is for this reason that the Liberal Party, during the 1974 election campaign, committed itself to easing the burden on such couples by instituting this income-tested allowance for spouses in order to provide for those who most need it in our society a monthly income which would allow them to live in the dignity which they deserve.

I repeat, this measure is aimed at the couple which, at present, is expected to live on the pension of one. It does all that, but nothing more and in that sense is an interim measure. Indeed, I should like to assure hon. members that the others in the same age group, such as widowed, divorced or single people, are not forgotten in the light of measures outlined in the bill we are debating today.

I have been engaged, since April of 1973, in a review of Canada's social security plans and programs with my provincial counterparts. Basic propositions of that review read as follows:

That a guaranteed income should be available to people whose incomes are insufficient because they are unable to or are not expected to work and that the incomes of those who are working but whose incomes are inadequate should be supplemented under a single, general income supplementation plan with built-in work incentives.

These were propositions Nos. 6 and 7 of the working document tabled in this House in April, 1973.

[*Translation*]

I alluded previously to the income support and supplement program. In February 1975, the federal and provincial ministers of welfare reached an agreement on a two-fold program, that is income support and income supplement. Income support applies to all persons who are unable to work, who should not work, or who cannot find employment under provincial labour standards.

The income supplement would extend to persons who work but whose income is inadequate for a number of reasons. My officials are in the process of drawing up the mode of application of the income support and supplement programs. Those procedures will be studied at the next federal and provincial welfare ministers' conference. It is hoped that shortly thereafter, the federal and provincial governments can reach an agreement, and that an income support program can be implemented sometime next year.

I would point out that, in the meantime, the needy who are not eligible for the spouse's allowance can get financial assistance through provincial and municipal welfare programs. The federal government shares half the cost of those programs through the Canada Pension Plan. I wish to point out another important factor: the introduction of the spouse's allowance should result in the elimination of a number of welfare cases and thus enable the provinces to save money that can then be applied to other areas of welfare.

● (1220)

[*English*]

I would like now to take a few moments of the time of the House to outline the provisions of this measure as well as to explain briefly the other provisions of Bill C-62. As I have already mentioned, the basic pension and the supplement for the spouse aged 60 to 64 will all be subject to an income test, the same test as is now applied to the GIS portion of pensions now payable. This will ensure that payments go to those who most need them, and are not granted on a universal basis. We estimate that this plan will provide a further $100 million in benefits to older Canadians and I am sure that the Canadian people would not expect us to do less. The pensions will be paid individually to each recipient; that is, the spouse who is not a pensioner will receive a cheque each month in his or her own right. Proof of age and residence will be required from the spouse, just as in the case of persons aged 65 and over, and proof of marital status will also be required.

In order to ensure consistency in federal programs, the same criteria which now apply to common law couples under the old age security and Canada Pension Plan will be used in the case of the spouse's allowance. That is, couples who have been living together in a common law relationship and publicly representing themselves as man and wife will be accepted, though the relationship must have lasted for a minimum period of one year on the last day of the preceding fiscal year if neither partner has a legal spouse, or three years if either partner has a legal spouse. My department will be sending application forms for this spouse's allowance in time for the program to come into effect on October 1, and therefore the onus is not on the pensioner or spouse to seek out such forms.

Turning now to the other provisions of the bill, Madam Speaker, I am particularly pleased to be able to introduce at this time a bill which seeks to authorize the governor in council to make a regulation whereby certain periods of absence from Canada can be counted as presence in Canada in determining eligibility for old age security. As hon. members know, "residence" and "presence in Canada" are not identical in the regulations of the Old Age Security Act and because of this some people have been penalized because of absences from Canada while serving in the Canadian armed forces, while employed by the federal or provincial governments, or while engaged as a missionary, for example. Some such cases have been brought to my attention, and hon. members may remember that on January 10, 1974, I gave a commitment in this House that power to make such a regulation would be sought from the House. We agree that it is untenable that persons serving abroad for their country, either as armed forces personnel or as civilians, should be so penalized and I am particularly pleased to include this amendment with Bill C-62 today.

Another significant provision is the one which gives to the Minister of National Health and Welfare authority to declare overpayments uncollectable in order to ease financial hardships. We all know how easy it is to make minor mistakes in calculations—

Mr. Baker (Grenville-Carleton): We know how easy it is to make mistakes in the royal recommendation.

Mr. Lalonde: —and it frequently happens that through oversight or misunderstanding a pensioner may understate "income" when applying for the guaranteed income supplement, and thereby receive an overpayment. Under the present law, this results in a reduction in the supplement, coupled with a further reduction to recover the

amount of overpayment, which frequently means financial hardship for the pensioner. I feel that if pensioners have so little income that they qualify for the GIS, they should not be penalized by having it reduced for honest and minor mathematical errors, and I am sure all hon. members will welcome this move to give the Minister of National Health and Welfare discretion to waive the collection of such overpayments.

[*Translation*]

Here are three other aspects of the bill: any provincial benefit payable under the provisions of the Old Age Security Act may be added to the OAS pension cheque, subject to an agreement between the province concerned and the federal administration. In such case, every three months the provincial government would reimburse to the federal government the costs arising out of that agreement. Such an agreement already exists with Prince Edward Island where family allowances are included every month in the federal government's allowance cheque.

The Old Age Security Fund will be eliminated and the benefits will be taken directly out of the Consolidated Revenue Fund. At the present time, there is no money left in the Old Age Security Fund and the deficits have therefore been made up through temporary loans from the Consolidated Revenue Fund. With the implementation of fiscal reforms in 1971, the former tax rates relative to old age security, 4 per cent on personal income, 3 per cent on corporate income and 3 per cent on sales, were united within the regular tax structure and tied up at those levels. There now exists no means to increase those rates to replenish the Old Age Security Fund. The present act stipulates that the fund must reimburse loans made out of the Consolidated Revenue Fund, without however, providing any source of revenue to make such reimbursement. To remedy the situation, the OAS Fund will be eliminated and all benefits under the legislation will be paid out of the Consolidated Revenue Fund.

Finally, the Old Age Assistance Act will be repealed. The act provided for the payment of an allowance, subject to a means test, to persons 65 to 70 years old. The program was administered by the provinces and the federal government took part in its financing. The act has been inoperative since 1969 as a result of amendments to the OAS Act that reduced the age of eligibility for the pension from 70 to 65 between 1966 and 1970, which reduction gradually eliminated the Old Age Assistance Act.

Madam Speaker, I do not wish to delay any further the debate on Bill C-62. I am sure that all hon. members will be receptive to the improvements that we shall bring to old age security pensions in Canada, and I request their cooperation so that these amendments be made effective as soon as possible.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Madam Speaker, I would have thought the minister would have done this House and the country the courtesy of indicating that he misled us when he released the expensive-looking press release of June 3. I cannot understand what the government is doing. The minister's press release came after two royal recommendations had been brought before the House. The first recommendation used the word "married". The second recommendation also used the word "married" and attempted to correct the mistakes of the first recommendation. The age limitations in the first recommendation were wrong. The government said benefits would be paid to spouses between 60 and 64 years of age; however, when they thought they had everything fixed up, the minister then rushed to the media and indicated that this bill, C-62, would apply to persons aged 60 to 64 who are married to old age security pensioners. On the second or third page of his press release he became even more specific. I quote:

● (1230)

All persons applying for the GIS and the spouse's allowance for the first time will be required to submit a certificate of marriage.

All I am trying to put before this House is the fact that the minister and the government really do not know what they are doing. It has been a conglomeration of mix-up designed to confuse our senior citizens, let alone the opposition. We now have an entirely different principle. What bothers me is that I do not know what the ratio is all about. On page 1 of the minister's statement, he said:

The purpose of this amendment is to provide relief in situations where two persons would otherwise have to live on the pension of one. The income needs of the other groups such as singles, widows, etc., are being examined under the income support and supplementation proposals of the Federal-Provincial Social Security Review. It is hoped that agreement can be reached to implement the income support part of the system next year.

What sort of nonsense is this? There are many questions that have to be answered with respect to those who have been excluded. I will mention this in detail a little later because there are many questions that have to be answered in terms of this federal-provincial conference. I quote from an undated article in the *Globe and Mail*:

—what the cost of the new system is likely to be to each province; which level of government will administer the parts of the new welfare system; what will be defined as income for the purposes of deciding who is eligible for benefits; the period of time over which income will be counted; the rate at which people receiving benefits will be taxed for their earned income; who will be included in the family unit for purposes of determining the level of benefits and the level of income; what assets owned by a prospective client will be taken into account.

Until these practical questions are answered, the provincial ministers will not be asked to give their approval—

What disturbs me is that there is no time limit to look after those who the minister purposely left out. I will get to that shortly. The government has emphasized the inflation problem, the unemployment problem, the problem of immigration, of the economy, of the energy crisis. While these are understandably pressing problems, the result has been that the aged and disadvantaged have suffered at the hands of other government preoccupations. At the same time, the government has coveted, rationalized and justified extravagant and frivolous spending on items which there was no indication that the public needed or desired.

Since 1961, the total cost of operating the PCO and PMO has increased by 1,148 per cent. Government expenditures on professional and special services have increased by 509.1 per cent. This spending extravagance directed toward the executive's personal self-glorification goes on and on and need not be repeated here. The point is that now we are confronted with a half-baked, half-thought out, incremental attempt at bettering the lot of some of our senior citizens.

The government has been gracious enough to index these allowances quarterly. This will be done, we presume, on the basis of the consumer price index. Yet we know that the aged and those in financial need spend an inordinate amount of their income on housing, food and health services, components of the CPI that are markedly higher than the aggregate index that will be used. Why has the government not implemented an old persons or disadvantaged index so that indexing can truly meet the needs of those it is meant to serve? In short, we have said that Canada's senior citizens have different needs and expenses than the average Canadian family of four and as a result new measures must be devised to meet these unique needs of the aged.

The minister has promised Canadians for some time that he will introduce legislation directed toward optimal change in the field of income maintenance and security. He has been meeting with provincial ministers and telling us that certain areas of his policy have been agreed upon. I have raised many questions to indicate that certain areas have not been agreed upon. Many questions have to be answered. In his infinite wisdom, the minister has not told us what problems the federal and provincial governments now face. He said they are studying them. His bill indicates that he hopes something will occur next year. While the reforms very reluctantly offered under Bill C-62, particularly with regard to two or three matters which I will point out later, are much needed, they are nonetheless stop-gap and fall far short of the needs of Canada's aged. Mr. Lalonde has indicated—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Alexander: I am sorry; I mean the Minister of National Health and Welfare (Mr. Lalonde). You can always tell when the NDP House leader is here: he will not allow me to make a mistake, whether it is with respect to grammar or mentioning a person's name. I appreciate the assistance he has been giving me.

Mr. Knowles (Winnipeg North Centre): I do not like my hon. friend to make any boobs.

Mr. Lalonde: We are used to your mistakes.

Mr. Alexander: The minister says they are used to my mistakes. If we took our job in the same way, in terms of seriousness, as the government does, Lord have mercy on this country!

Some hon. Members: Hear, hear!

Mr. Lang: We are well protected by a practised opposition.

Mr. Alexander: What concerns me is this government's showing no action to remedy the inflationary pressures that have so diminished the economic security of those Canadians who have given years of service to their country. Our senior citizens continually write to members of parliament regarding the problem of escalating rents. That is a very serious problem. However, there is no direction coming from this government with regard to this important matter in terms of some sort of consensus regarding voluntary guidelines as to what can be done to relieve the suffering of these people.

There are not enough houses. I am sure members on all sides of the House receive letter after letter from senior citizens asking for help in finding accommodation. All the Minister of State for Urban Affairs (Mr. Danson) does is refer to AHOP. Surely there is a need that must be recognized immediately. The senior citizens' dollar is being eroded because of the archaic fiscal and monetary policies of this government and because the Minister of Finance (Mr. Turner) is in a quandary, not knowing what he is going to do.

We on this side of the House at least put before the Canadian people a policy, which we hoped would have been acceptable, in order to solve the longsuffering of millions of Canadians who have suffered at the hands of this government. I understand the government has now stolen that policy; they in fact have an incomes policy. It was not politically acceptable, but it is now intellectually acceptable. An incomes policy is now continuously being brought up to date.

Mr. Chrétien: Are you in agreement with your leader?

Mr. Alexander: I am always in agreement with my leader, unlike those on the treasury benches who are in continual disagreement with their leader.

Mr. Anderson: Madam Speaker, I rise on a point of order. To what leader is the hon. member referring?

Mr. Baker (Grenville-Carleton): Dry up!

The Acting Speaker (Mrs. Morin): Order, please.

● (1240)

Mr. Alexander: As I was about to say when I was rudely interrupted through ignorance, the government is fighting inflation on the backs of our senior citizens.

Some hon. Members: Hear, hear!

Mr. Alexander: The government's aim is to see to it that our aging population continues to live in discomfort and without dignity; and now we see another callous and Draconian approach to the aged.

On the face of it, the bill looks as though we could jump for joy. But we want to say it is most unfortunate the minister did not mention the hon. member for Okanagan Boundary (Mr. Whittaker) who has been attempting to see to it that authority is given under an order in council by virtue of which certain periods of absence from Canada could be counted as presence in Canada for purposes of determining eligibility for OAS. I should like the minister to know that the hon. member for Okanagan Boundary has been pursuing that matter and he should be given all the credit for it, not the Minister of National Health and Welfare who sits on his fanny and steals our policies.

Some hon. Members: Shame!

Mr. Alexander: Listen to them over there when we speak the truth. Of course, Madam Speaker, one would hardly complain of another admirable step which is contained in the bill. I quote from page 2 of the minister's

press release. I might add that this release is inaccurate when it comes to the most important parts. But according to this part on page 2, the minister would be given authority to write off small or uncollectable overpayments of benefit at his discretion, to ease financial hardship. What the minister did not say was that most of those overpayment were the result of a bureaucracy which was not working; it was because of bureaucratic inefficiency. I say this with a great deal of respect, that hundreds, if not thousands of senior citizens were forced to scratch and dig in order to make repayments.

When I talk about a callous and Draconian approach, we find that the bill is talking about spouses, which I cannot understand because the word "spouse" as defined includes incestuous relationships, illicit relationships and common law marriages. These are the people the minister is so concerned about. He is sitting over there, smiling, talking with the other one who is hanging on, who is the other bagman in the party in terms of the Treasury Board.

Mr. Chrétien: I'm the bagman of the country.

Mr. Alexander: You'd better believe it, the bagman of the country. You had better look after it because our job is not only to see that the government behaves—and it is getting almost impossible—but also to be the watchdog of the public purse. So be careful.

Mr. Chrétien: That is what I am doing.

Mr. Alexander: I like it when you get to the hearts of those two ministers. They know I am telling the truth, and they haven't heard half of it yet. Let me tell you what the minister is doing, Madam Speaker. He favours illicit relations.

Some hon. Members: Oh!

Mr. Alexander: Hon. members over there haven't read the bill yet. When they get to the definition of "spouse" they will see what I am talking about. All this is at the expense of—guess who, Madam Speaker. It is at the expense of our widows, our widowers, our spinsters, our bachelors, our divorced persons and even persons close to 59. All these persons have been completely ignored by the minister. I cannot understand his thinking. He says, "We are going to look after them shortly." But when, in heaven's name, is shortly? What we see here is a very unfair, illogical and blatantly discriminatory approach to a very serious subject. I say this with all due respect.

An hon. Member: Are you going to vote against it?

Mr. Alexander: One never votes against motherhood, my dear, dumb-dumb friend.

Some hon. Members: Oh, oh!

Mr. Alexander: There can be no hesitation on our part in saying we shall vote for the bill; but we who sit on these benches have a responsibility to draw attention to the inadequacies of the measure before us, and that is what I am trying to do.

Some hon. Members: Hear, hear!

Mr. Alexander: So many backbenchers come in here for 15 minutes and all of a sudden, speaking from the back because they can't get to the front, they have all the words of wisdom. I say to them that now and again one has to sit back, listen, learn and be prepared to stand up and make a significant contribution to debate, rather than hide behind the curtain uttering foolish remarks from the back benches.

I find it extremely offensive to lump legitimately married people in with those I have just described. I wonder what the thinking of the government is. I cannot understand it. Getting into the bill a little more deeply, we find that "spouse" is defined as follows:

"Spouse" in relation to a pensioner includes a person of the opposite sex who has lived with the pensioner—

Thank God there has been forethought to think of those words, anyway

—for three or more years where there is a bar to their marriage—

I cannot understand that. To me, as a lawyer, a bar to a marriage means that you are perhaps living with your daughter, or your son, in a way which is not acceptable by society. Is this allowed? The minister does not explain it.

—where there is a bar to their marriage or at least one year where there is no such bar and the pensioner and that person have publicly represented themselves as man and wife.

The minister does not even have the decency to say this includes those who are married according to the accepted form of our society. The bill does not even talk about marriage. This is the part that disturbs me, because the people I spoke about earlier, the widows, the single persons, the divorced are excluded in favour of this other gang.

I turn, now, to another provision in the bill, one that really disturbs me. I refer to section 17.3 which states:

(1) Where the beneficiary of a spouse's allowance has been convicted of an offence and sentenced to a term of imprisonment exceeding ninety days, payment of the spouse's allowance shall be suspended for any period the spouse continues to be imprisoned.

What are we being asked to do here? We are talking about people who are between 60 and 64 years of age. I want to know the statistics which give the minister cause for such concern that he is prepared to remove the bread and the milk from the tables of the aged. I do not know what is going on here that we should be asked to approve the suspension of allowances for those who are in the age bracket between 60 and 64.

What about this other provision in clause 17—

The Acting Speaker (Mrs. Morin): Order. At this point we are supposed to be discussing the general principle of the bill, not the details.

● (1250)

Mr. Alexander: With respect, Madam Speaker, either I am a little confused—

Some hon. Members: Hear, hear!

Mr. Alexander: —or there is some misunderstanding. I can refer to matters I dislike without referring to the bill. This is all within the general principle of the bill. This is the first time I have ever heard it said that on second

reading a member has to refer to the bill. I have been here practically every day, but perhaps I have missed something. I am pointing out matters to which we take objection.

For example, I find out, Madam Speaker, that no payment will be made to the so-called spouse if the other dies or if the spouse ceases to be eligible. For example, if the husband dies and his widow is 62, she is cut off from any payment. I do not understand this. It is unfair. Words fail me in trying to determine the thinking of this government. Another point that also bothers me is that we have moved away from the principle of universality because we are now introducing a means test.

Mr. Lalonde: No, an income test.

Mr. Alexander: Don't mince words; it is the same thing. The minister can look in his black book and find out what is going on, so let him not play games. I want to make reference to an article in the *Globe and Mail.*

Mr. Lalonde: Surely you have a better authority than that.

Mr. Alexander: It is dealing with what it calls an unfair pension proposal. The minister did a flip-flop in talking one day about people who were married and then talking about spouses. If they also include married people—and I hope they do—then another editorial will have to come out shortly. I quote from the editorial in the *Globe and Mail* of May 26:

> Wait just a minute. Health and welfare minister Marc Lalonde is being unassailably kind and sensitive in saying he will bring in legislation extending the old age pension (on a means test basis) to persons aged 60 to 65 who are married to pensioners. We know the hardship that exists for many of these couples, trying to scrape through on one pension and guaranteed income supplement. But how equitable is Mr. Lalonde being? He is in fact saying the old age pension is no longer universal at age 65—he is saying that one class of people, pensioners' spouses of a certain age, are to be singled out for special treatment.

I hope, Madam Speaker, that those who are supposed to tell us what is going on around here give the minister some big headlines as to what is going on, because the article goes on to ask this question:

> How happy is that going to make spinsters or bachelors in that age group who must exist on welfare until they reach 65? Or widows and widowers under pensionable age (the old age pension that might have gone to their spouses has no survivor benefits)? Or the spouses of pensioners who are, say, 59? Do they not eat as much?

The last question in the editorial is:

> Is Mr. Lalonde's tinkering really necessary—or fair?

When you introduce a means test, a program is no longer universal. I suggest to the minister that if he wants to do something significant he should gradually reduce the age from 65 to 60 a year at a time. This would make some sense out of the program. But no, the minister says he wants to give us old age security. I do not care whether he calls it a spouses' allowance or not, because the same amount of money is involved. The government is going to pay old age security plus GIS, but those entitled to it will be subjected to a means test if they are under 65. Those who are over 65 are not subjected to the means test. This is why I cannot understand the government's thinking. Either you give them the money because you are thinking of reducing the age, without any encumbrance, or you are just playing footsy with this question of the tax that is involved. The minister has statistics showing how much money will be paid people between 60 and 64. Little special advantage is given this group that is not yet 65. In other words, what is put in one hand will likely be taken out of the other and go back into government coffers.

Others of my colleagues will be bringing to bear matters that we believe are extremely important in respect of this bill. Although I have additional points to make, I notice my time is running out, so in closing may I call it one o'clock?

The Acting Speaker (Mrs. Morin): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Alexander: Mr. Speaker, I do not intend to take very much longer. I think I have made my point.

Some hon. Members: Hear, hear!

Mr. Alexander: I hear hon. members over there shouting. All I can say to them at this point is that they are lucky I am not seeking the leadership of this party, because something tells me they would catch hell. In closing, I wish to state that here we have a nation faced with a gross national product of about $150 billion, while the government spent in the order of $150 million in 1973-74 on bilingualism and while we have the Petro-Can bill in respect of which we will spend some $500 million and there is the suggestion that it will amount to $1 billion.

At the same time, we have the CBC spending millions of dollars while the Canadian people take issue with its particular interest in sex, violence and vulgarity. In addition, we have many outside consultants in respect of whom the government spends something in the order of $750 million. We also have the OFY and the LIP programs which are supposed to look after our people, at the expense of our senior citizens. Last, but not least, there is the UIC in respect of which we are spending something like $3.5 billion. In the face of all this, the government has the unmitigated gall to come before this House—

Mr. Stollery: I rise on a point of order, Mr. Speaker. I should like to bring to the attention of the House that on such an important issue as this there are only four or five members of the opposition party present, and there is no one present in the press gallery.

Mr. Deputy Speaker: Order, please. I merely wish to bring to the attention of the hon. member that all that is required in this House is a quorum of 20 members. Those 20 members do not have to be on one side or the other. The Chair does not keep a record of who is or is not here. It is the duty of members to be here at all times, and we operate as if they were all here.

Mr. Alexander: Mr. Speaker, if the hon. member had been in attendance earlier, he would have heard one of his colleagues refer to the same matter. The reason many members of this party are not here is that our caucus is meeting in Halifax to determine policies as alternatives to the rotten policies this country faces under this government.

I understand that the minister wishes this bill to pass today. I have a piece of advice to give him. If he wants it to pass today, he should sit over there, read his mail and be quiet while I make my observations. I mentioned a little earlier the policy of this government in respect of hiring outside consultants and its other policies involving OFY, LIP, unemployment insurance, and so on. Yet it has the unmitigated gall to bring in a bill which excludes widows, widowers, spinsters, bachelors and divorced persons. It would certainly seem to me that this government is mixed up in its priorities.

We will let this bill go through. We certainly shall not vote against it. But we would like to know what are the priorities of this government. We feel this bill is unjust, illogical and discriminatory. It shows that this government has callously forgotten the great contribution our senior citizens have made to the development of this country. The government has forgotten that the need of these people who have been excluded is just as important as the need of others, and should be recognized.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for about half my life—and I am afraid that is literally true—I have been in the position of having to deal with proposals regarding old age pensions which fail to go far enough but which are steps in the right direction. It has always been my practice to point out the shortcomings and deficiencies, but nevertheless to vote for and give my support to anything that represents progress. That, sir, will be my position again today. I shall in fact be pointing out some of the shortcomings and deficiencies of Bill C-62, but it is a step in the direction I want us to move and I intend to give it my support, and I hope that it will be possible for us to give this bill second reading this afternoon and to refer it to the standing committee where it can be studied carefully.

It was my intention to deal directly with the bill and some of the things that were said about it this morning by the minister. In other words, I did not intend to comment on any speeches that might be made between the time the minister had the floor and the time I got it. I must say, however, that some of the things that were said by my good friend from Hamilton West (Mr. Alexander) prompt me to give him two or three minutes.

I happen to agree with him strongly and forcefully that this bill is discriminatory in that it provides pensions for only a limited number of persons between age 60 and age 65. It is discriminatory in that it forgets spinsters, widows, bachelors and widowers. I think anyone who has followed the old age pension debates will confirm that throughout the piece I have argued, not just for the payment of pensions to spouses but for lowering the eligibility age and for making the only test below age 65 whether or not one is in the labour market. I contend, therefore, that I have every right to stand today and complain about this bill.

I find it difficult, however, to sit and listen to the complaints of my friend from Hamilton West in view of the fact that the bill follows exactly the principle his party advocated in the last election campaign.

An hon. Member: Oh, Stanley!

Mr. Knowles (Winnipeg North Centre): That is my name, yes.

Mr. Baker (Grenville-Carleton): We know your name.

Mr. Knowles (Winnipeg North Centre): I have in my hand a copy of a Conservative Party commitment to old age pensioners that has on it the picture of Robert Stanfield—"the one who cares". This particular Conservative Party campaign leaflet from the last election is devoted entirely to what the Conservative Party would do for the pensioners. Listen to this sentence:

> We will ensure that the wife or husband of a pensioner aged 65 or more becomes eligible for the old age security and guaranteed income benefits at 55, if he or she is not employed.

● (1410)

There are two differences between that sentence and the bill now before us. One is that the spouse's pension should begin at 55 instead of 60. The other difference is that the Progressive Conservatives made no reference to marital relations other than those that are strictly legal. But that sentence and the position of the Progressive Conservative Party throughout these discussions has been one that has ignored the spinsters, the widows, the bachelors and the widowers.

The Progressive Conservatives never argued for paying a pension to everyone in the lower age brackets. Their position was that they would pay it to the spouse of a pensioner; in other words, the spouse of one already 65 or over. I point out that earlier in this session, on one or more occasions, the hon. member for Hillsborough (Mr. Macquarrie) welcomed the proposal being advanced by the Minister of National Health and Welfare (Mr. Lalonde) and urged the minister to bring it in soon and make it effective earlier. There is such a thing as standing by what you have stood for. The Progressive Conservatives have asked, in principle, for the very thing the minister has brought in today. Why, then, does my friend, the hon. member for Hamilton West, spend half of his speech condemning the very thing in this bill that the Progressive Conservatives have endorsed?

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Lest anyone think I did not take the precaution to look up our own election literature to see whether we had made that mistake—I was sure we had not, because I usually have something to say about our pension policy—this is what we said in our election literature for 1974:

> We must... make old age security pensions and Canada Pension Plan benefits available to all who are voluntarily off the labour market after reaching the age of sixty.

We did not limit the pensions we should pay to those below the age of 65 who meet a marriage test. The Progressive Conservatives did, the Liberals do, so why do the two of them have to fight about it? I said I would give my hon.

friend two or three minutes and now I think we had better get back to the bill.

I welcome any progress in the field of old age pensions. As I said earlier, I have been arguing for a long time—about half my life—for improvements of this kind, and I dearly want to see pensions paid to all those who are 60 and are out of the labour market. Therefore, when a bill comes in that pays it to some persons at the age of 60, I will support it. But it is discriminatory along the very lines that the hon. member for Hamilton West has pointed out.

The figures I have been able to collect—perhaps they are subject to correction, but I am sure they are not very far out—are that there are about 770,000 Canadians between the ages of 60 and 65. I understand that this bill will provide pensions to about 85,000 of those 770,000. That leaves 685,000 Canadians between the ages of 60 and 65 who will not qualify under this bill. That includes many single persons, be they spinsters, widows, bachelors, widowers or persons who are divorced, and there is no doubt in the world that many of those single persons, particularly single women, are in greater need than many of those who happen to have spouses. For the government at this time to say no to all of those others is, I think, most unfair.

I do not intend to spend any time on the points raised by my friends to my right about the provisions for spouses' pensions in the case of common law relationships. I am not shocked by this. This kind of provision is in a number of pieces of our legislation. But I do think it is a bit hard to take when a single woman between 60 and 65 cannot have a pension, whereas some other woman who is living common law can have the pension.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I wish the government would make up its mind what it wants to encourage in terms of marital relations. It goes both ways. Let us take the case where both man and wife are over 65: each of them would get more if they separated, because the total under OAS and GIS for a couple is less than twice that for a single person. So in that area the government is encouraging married couples over 65 to break up so that they get a little more. On the other hand, they are saying to single persons between 60 and 65, "If you want a pension, shack up with somebody over 65 who has a pension".

Some hon. Members: Oh, oh!

Mr. Gillies: Is it worth it? I don't think it would be worth it.

Mr. Baker (Grenville-Carleton): Such things from you, Stanley, on a Friday! You will have to move from our street.

Mr. Knowles (Winnipeg North Centre): The sense of shock being displayed around here is somewhat synthetic. My point is that this is an example of the unfairness of this piece of legislation. I urge very strongly that the government consider more seriously the position of those who are single, whether they be spinsters, widows, bachelors, widowers or divorced persons, and that they should be covered by this legislation. Again I say that in so far as it goes, it is good. For the first time we will be paying pensions under the Old Age Security Act to some persons who are below 65 years of age.

[Mr. Knowles (Winnipeg North Centre).]

I have been here long enough and I have seen enough progress in old age security legislation to know that it is only a matter of time until 60 will be the pensionable age under both old age security legislation and the Canada Pension Plan. But why do we have to wait for it so long? Why do we have to make so many speeches? Why do we have to have so many elections to get progress in a direction that is clearly one we all want to take? So in the name of the 685,000 Canadians between the ages of 60 and 65 who will not be covered by this bill, I plead that when we get into committee the minister will give serious consideration to improving the bill to cover them all.

I also welcome the references made this morning by my friend, the hon. member for Hamilton West, to the further departure from universality that is involved in this bill. It is not the first departure, as I thought he was suggesting this morning, because the guaranteed income supplement is already a case of non-universality. In this bill we are moving, as I say, into the 60 to 65 area but we are applying, again, a means test—the government calls it an income test—which will mean that many of these people will not get the pension. Indeed, this is going to come as a shock to many couples. The minister can say it is the same income test that applies to two persons both of whom are over 65, but in my view he is wrong there as well. I listened with great interest to the minister's efforts this morning to tell us how great is the history of the Liberal Party in terms of pensions.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I have lived through most of that history. In fact, my colleagues and I have had a good deal to do with prompting or provoking Liberal governments to move in the direction of better pensions. I notice that the ministers moved rather quickly over the point at which the government, having finally accepted universality, when back to so-called selectivity.

That is another thing that I do not like about this bill; it is that it provides a further move away from the principle of universality. So I call, again, for pensions for all persons who are 60 years of age and not yet 65 who are out of the labour market. I believe in universality; therefore I do not like means tests or income tests, but I understand them. They have been applied to persons over 65. They are applied to persons under the War Veterans Allowance Act. They have been applied under other legislation in the past and they are part of our social fabric.

● (1420)

I understand work tests as well. We had one for a number of years under the Canada Pension Plan and I would be happy to have one that would apply between 60 and 65. But this marriage test is something new in social legislation. One receives the pension not because of age or need but because it can be shown that one is married to someone who is of pensionable age. It is a departure which I think is a mistake.

I know that many people in this House, including many Progressive Conservatives, have called for pensions for spouses for a long time. I think that we have been asking for the right thing in our insistence that it should be a pension based on age, and that in the case of those who are 60 but not yet 65 the only test should be whether they are in the labour market.

While I am on my feet, there are two or three other things I should like to call for with regard to pensions; then I would like to comment on some of the things in the bill other than its main provision for spouses' pensions. On a Friday morning two or three weeks ago I tried to present a motion under Standing Order 43. Oddly enough, it did not receive the necessary unanimous consent. However, I came right out and proposed that it was time to raise the basic old age security pension to $300 a month. I make this plea again this afternoon. Some may think it is a bit high, but I can remember when I was told I was asking too much when I asked for $30 per month.

Mr. Gillies: That was in 1935.

Mr. Knowles (Winnipeg North Centre): But I suggest that with inflation running as it is, with the principle of universality being still much better than the principle of selectivity, and with all the other increases this House has passed for those on high salaries, this is what we ought to be going for, a pension of $300 per month across the board. Let it take the place of the guaranteed income supplement, and let us achieve some of that equality the Minister of National Health and Welfare talks about in his speeches before various service clubs and some of that equality he talked about in this House when he was presenting Bill C-16.

Mr. Baker (Grenville-Carleton): Some of those $1,900 speeches.

Mr. Knowles (Winnipeg North Centre): My hon. friend is referring to the cost of having some of those speeches written. They would be worth that cost if they were implemented into legislation.

Mr. Gillies: Little chance.

Mr. Knowles (Winnipeg North Centre): My hon. friend says, "Little chance." I sat in the back row some 30 years ago and called for the pension to be raised to $30 per month, for the means test to be removed and for a lower age, and there were Conservatives sitting behind the curtains saying, "Stanley, you have a good idea but it will never come about." Well, it has come about.

An hon. Member: Who made it happen?

Mr. Knowles (Winnipeg North Centre): My hon. friend would like to know who made it happen. He knows the answer. The answer is that our prodding and our provoking caused the Liberals to do it.

Mrs. Campagnolo: It must have been you, Stanley, because there is nobody behind you today. Don't be so modest.

Mr. Knowles (Winnipeg North Centre): The hon. member for Skeena (Mrs. Campagnolo) is saying something very nice; but these things came about with the backing of my colleagues, my party and the people across the country who believe in this sort of thing.

An hon. Member: Where are your colleagues?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): There is something else which is not in this bill and which ought to be there. I refer to the escalation formula. The minister hardly ever makes a speech in which he does not boast of the fact that old age security pensions and guaranteed income supplement payments are escalated according to the rise in the cost of living, and that they are now escalated quarterly instead of annually. As I have pointed out times without number, that is an escalation which is always several months behind, so that pensioners never receive the increase when they need it to meet the current increase in the cost of living. In this age of computers and that sort of thing, it would not be impossible to provide escalation on a current basis and I feel very strongly that that should be done.

Something else which is long overdue in the Old Age Security Act has to do with the position of people who come to this country, and Canadians who leave this country and go elsewhere. We have a rather strange rule about old age security. One either receives all of it or none of it. If one is here at age 55 and stays until age 65, one receives all of it; but one might live here from birth until age 55 or 56, go somewhere else and not receive the pension at all. There are problems with regard to people who move from one country to another. It is time there was some kind of formula which would involve reciprocity between this country and others so that wherever people move or live they will receive the best possible pension.

I am not asking for the rules to be changed so that individuals can receive two full pensions from two separate countries. That happens now in some cases. But as opposed to those who manage to obtain full old age security in Canada and full social security in the United States, there are others who get lost between two stools and do not receive either. I mention this because, as the minister knows, I asked him one day in the standing committee whether he would put his high-powered research people to work on this question, and he was happy to tell me that he had already done so and there was some hope that something in this line might be done in this session. He told us the last time this matter came up in committee that it would not be in Bill C-62. I regret that, but I push for proper provisions so that people do not lose their pensions entirely because they came here too late, or do not lose their Canadian pensions because for family, health or other reasons they go somewhere else to live.

I am proud of what we have done with old age security. We have made tremendous improvements. We have taken care of many of these details, but that is no reason for us to stop when, as we move along, we still further improvements we could make.

Mr. Speaker, I said that in addition to the things I wanted to call for today I would like to comment briefly on some of the other things this bill does I welcome the

provision in the bill which will allow absence from Canada to be counted as presence here in the case of persons serving in the armed forces, or doing certain other things abroad, when it comes to making up for time they lost in trying to qualify for old age security. This is a matter which has been debated in the House several times, and a private member's resolution by one of the Progressive Conservatives on this matter was passed. It probably does not cover a great many people, but it is an unfairness which is being corrected by this bill and I am glad that is being done.

I am interested in the provision which will make it possible for provincial pension supplements to be included in the federal old age security cheque. In these days, when banks are increasing their charges and charging people every time they write a cheque, make a deposit or walk in or out of the bank, I think it is a good ideal to reduce the number of cheques old age pensioners have to handle, so long as there is no reduction in the total amount. I believe this is an appropriate change. I assume it is up to the provinces whether they include in their agreement with the federal government some arrangement under which the name of the province appears on the cheque as well. I can hardly imagine any province letting Ottawa write the cheque and claim it is a federal cheque without the name of the province appearing there with it. I think this is a commendable move.

● (1430)

It also sets out in this bill that the minister will have the authority to cancel uncollectable debts in those cases where hardship would ensue and where the mistake that was made, whether by the pensioner or the department, was clearly unintentional.

Then I come to what might seem just a clean-up matter in this bill, but it is one thing that I welcome as warmly as I can. It will make no monetary difference at the moment, but in principle it is terribly important. I refer to the fact that the old age security fund is being wiped out and any reference to any special tax, whether direct or by transfer from the Department of National Revenue to the old age security fund, is being done away with. The minister explained in his press release and again this morning that this change is being made because it has become mathematically or administratively impossible to keep up with the changes. In my view, it is more than that.

When we first considered the Old Age Security Act—a committee recommended it in 1950, the bill was brought in in 1951 and it became law on January 1, 1952—when we first brought it in, it was such a far reaching proposal, to pay pensions to everyone aged 70 and over, as was the case then, that in order to sell the idea we had to put on this special tax, and establish a special fund. We had a 2-2-2 tax in those days for the special fund and after a time this tax went up a bit.

What did it mean, Mr. Speaker? If the fund was short, the minister of finance, by law, had to lend money to it so that pensioners could be paid. If the fund was in surplus, we tried to argue that some of the surplus should be used for an increase in pensions but we were told it could not be done and we had to follow the act. It really had no meaning. Those taxes were a regressive form of taxation

which meant that the wealthy person paid the same amount as the person who did not earn very much.

We have done away with that and are finalizing it in this bill. We now say that old age pensions are paid in their entirety out of the Consolidated Revenue Fund; in other words, the total cost of old age pensions is coming out of the fund which gets its resources on the basis of ability to pay. This means that those with greater incomes pay more toward old age security than those with little or no income. Although this may seem like a technical or administrative change, it is an important one.

The other day I was reading a book on the history of pensions. I noticed that the author referred to this regressive type of taxation and expressed the hope that some day it would be done away with. It has been done away with in this bill. We are establishing the fact that old age pensions are a matter of right because people who reach pensionable age are part of our society and have played their part in building up the economy. No special tax is necessary, therefore, or no special fund is necessary to operate the whole proposition.

I point out also—and I want to come back and say something about both of these changes—that this bill abolishes the Old Age Assistance Act. It has been dead for a number of years, anyway. This act was introduced in 1951 to provide for pensions between ages 65 and 70 on a means test basis, paid partly by Ottawa and partly by the provinces. That has been replaced by old age security being paid at age 65, so there is no point in keeping that statute on the books any longer.

I hope you will pardon me for going back to what some of us have said in the past, Mr. Speaker, but in 1950 and 1951 we wanted the pension to be paid at age 65 on a universal basis, and we wanted it paid out of consolidated revenue and not on the basis of a special tax. We wanted it to be paid as a matter of right. It has taken us a long time to get that principle through but we are getting there by this bill. I think there is a moral to that. If one can be here for a few years and see that some of the things one has stood and fought for, because they are right, have been accepted, then one can hope that the same thing will happen again.

Just as we wrote our old age security fund into the act to sell the idea of getting it started, I hope that today, when we are putting in pensions at 60 on a limited basis only for spouses, it is just the beginning too. I hope it will not be very long until some of us can stand in this House and say we have won that point as well—that we have pensions across the board at age 60 for all those who are out of the labour market.

I welcome this opportunity to give my support to this bill, Mr. Speaker. I do so without question. I shall be voting for it and in committee I shall be supporting it. I hope we can get it through soon so that the 80,000-odd people who would benefit by it in October will have no doubt about it. However, I hope it has been evident that my greater concern at this time is to point out the things that are yet to be done.

We have come a long way since I stood in my place in the back row and pleaded for the pension to go up to $30 a month and for the means test to be removed. Today we are

paying $125 or so across the board to everyone aged 65 or over, we are paying over $200 a month to those individuals who get the full supplement, and we are paying over $400 a month to a couple, both of whom are on the supplement. In some of the provinces the pensions are even higher, but with inflation running as it is and with it being established that our people have not only the right to keep up with the cost of living but to share in the standard of living, and with the increased productivity of our country, I contend the time has come for us to talk in terms of pensions across the board of $300 a month.

To get back to this bill, Mr. Speaker, I also contend that the time has come to pay pensions, not just to spouses between ages 60 and 65 but to all people between ages 60 and 65 provided they meet just one test—that they are out of the labour market. That would cover all the people this bill covers, but it would also cover the spinsters, widows, bachelors and widowers, those who never married or are no longer married. I contend that the complaints that these people will be making in the months and years ahead—I hope it is only months, and not years—will be more than justified.

The hon. member of Hamilton West and one of my friends further down the aisle dealt with this matter in a question the other day and raised one point which I think really brings this bill to the test. Take the case of a woman aged 62 who is married to a man aged 65 or over. They have no income, so they qualify for the double pension. Next year he dies, when she is 63. What happens to the woman then? Is the Government of Canada going to be so inhuman as to take away the pension she was getting?

Mr. Baker (Grenville-Carleton): Under this bill it would.

Mr. Knowles (Winnipeg North Centre): My hon. friend is correct; under this bill the government will have to take it away. I suppose it will say it will have to take it away because if it did not, one widow would be getting it while thousands of other widows would not. I submit that test by itself shows that the thinking about this bill has not been adequate and that we need to make real improvements when we get it into committee.

Mr. Speaker, I welcome any bill that moves in the right direction, and this one does. I also welcome the opportunity to argue for further improvements in our old age pension legislation so that we may soon reach the day when our senior citizens have the rights and security to which they are entitled.

Some hon. Members: Hear, hear!

● (1440)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, it is with pleasure that I want to take part in this debate on Bill C-62, a bill we had been awaiting impatiently because we had noted that the government—the Liberal party rather—had promised as early as during the last election campaign of 1974 that this legislation would be passed as soon as the Liberal party would be reelected. Well, Mr. Speaker, this legislation will be implemented only a year and a half after the Liberal party's reelection. So, the minister should not be surprised if during its consideration either in committee or on second reading amendments are introduced to implement that election promise made by the Liberal party in 1974.

There is another point that was just raised by the hon. member for Winnipeg North Centre (Mr. Knowles), namely the case of those people who would momentarily be covered by this bill, that is spouses between the ages of 60 and 65. In the event the older spouse should die—a question raised by my colleague from Bellechasse (Mr. Lambert) a few days ago—the younger spouse would automatically be disentitled to his or her pension. That is another subject on which we are considering moving an amendment to improve this bill.

Generally speaking, the principle of the bill is quite acceptable, and I am one of the first to welcome it since as early as 1966 I was I think the first member in the history of Canadian parliamentarism to place a motion on the order paper of this House asking precisely that the spouse receive the pension, no matter what the age.

In every ensuing session I tabled the same motion since I was not entitled to introduce a bill to that effect and I had the opportunity a few times to debate that motion during private members' hour. On every occasion, as strange as it seems, government members always opposed such a move saying that it was nonsense, that it was going to be extremely expensive, that the people of Canada could not afford such a luxury. And still, on the last occasion, March 24, 1975, there was a perceptible change in attitude since at that time the government had already made public its intention of implementing this bill.

Now that this bill is being introduced, Liberal members and the government all agree. And that measure no longer is nonsense, on the contrary it makes sense. Just have a look at the memo or release which was handed to us on June 3, which says that, for instance, this new bill might benefit from 65,000 to 90,000 spouses. You will admit it makes quite a difference whether it is 65,000 or 90,000 spouses. Apparently, the department officials were unable to come up with a more precise figure. And yet, when costs are mentioned, they are said to amount to $100 million. Therefore, whether the number of spouses who will qualify is 65,000 or 90,000, the overall cost will be $100 million.

So I do not quite understand the figures of the minister's officials which leave such a wide gap between the estimate of the number of spouses who might qualify under the new act and the estimate of the costs. I think this calls for some explanation.

Mr. Speaker, the Social Credit Party has long called for improvements to the Old Age Security Act. In his statement this morning, the Minister of National Health and Welfare (Mr. Lalonde) said that when only one of the spouses is in receipt of the Old Age Security Pension, they have financial problems, and his attention was drawn many times to that.

And indeed we drew his attention to that problem many times. On December 3, 1974, I once again raised that matter in this House on the occasion of a debate on the business of supply, and I proposed:

That this House regrets that the government neglected to make all those who reached the age of 60, as well as their spouses although such

spouses may not have reached pensionable age, eligible for the Old Age Pension.

Once again, the motion was negatived, and even a representative of the Liberal party, the Parliamentary Secretary to the Minister of National Health and Welfare, said:

Mr. Speaker, today I speak on behalf of the government against the motion proposed by the hon. member for Abitibi (Mr. Laprise) who has advocated that the old age security pension be given to any person who has reached the age of 60, as well as to the spouse even if the spouse has not reached pensionable age.

Now, Mr. Speaker, is it not a bit strange that hardly a few months ago they would have nothing to do with it, and today they are accepting that proposal. Of course we are extremely pleased that they do. But as I mentioned earlier, even if we have reasons to be satisfied with the principle of that bill, there nevertheless remains some obscure points which will have to be made clearer. The Social Credit Party has long claimed that the Old Age Pension should be granted anyone over 60. When I say anyone, I have reasons to say, as Social Credit and other hon. members in fact did, that the inquiries made with respect to applications of old people respecting their pension should be withheld. I believe that principle should apply to every field, whether social security or other fields of social welfare now available.

● (1450)

When the Guaranteed Income Supplement Act, added to the Old Age Security Act, was discussed in 1966, and I have here the *Hansard* for December 5, 1966, the then Minister of National Health and Welfare stated the following when introducing the bill, as reported on page 10711:

In some instances the pensioner may wish to revise his initial statement of income because of more detailed information obtained later. If this is done, an adjustment of the supplement will be made to take into account this change. Information supplied on income can be checked against income tax returns and third party information supplied to the Department of National Revenue on T-3, T-4, T-5 and other returns.

That, Mr. Speaker, is all the mystery behind the investigation system imposed upon older citizens applying for the guaranteed income supplement. We all know the difficulties experienced by the aged, especially during the spring when they must file the famous guaranteed income supplement application form. This was especially true last spring, with the total mess of the post office and letters accumulating at the Montreal postal centre. In my constituency, pensioners filled up to three forms that were left about on some counter. Without the competency and good will shown by the Quebec old age security office director, Mr. Turbide, a very understanding gentleman, I believe some of our older citizens would have lost their guaranteed income supplement.

I intervened each time and was so able to have the supplement reinstated at the right level, but at the cost of numerous complications and fears for those concerned, who do not know which way to turn when the time comes to have the supplement accepted.

We can also imagine the number of extra people needed to hold these investigations. If there were no means test, as we have been requesting, all that would be needed is a few people to prepare the application cards for the computer. When a pensioner died, all that would be needed is to take the card away. But with the present system, everything has to be done anew each year, and even a number of times each year as is often the case, in order to check whether a pensioner's revenue status changed.

What is even worse, when a person applies in mid-year, a projected income statement is required. As it is rather difficult to project one's revenues, errors will happen. And the following year, when the exact details are known, errors have to be corrected. The OAS director advises the pensioner that due to his first declaration being inaccurate, an overpayment must be repaid.

To my great pleasure, the minister recognized the big difficulties that exist and will try to eliminate them in the future. I hope I did not mistakenly understand that the provision the minister dealt with will apply not only to the spouse not yet 65 years old, but to any old age security applicant.

Mr. Speaker, if we abolished the present test, we would at the same time free those who apply for the old age security from many worries and headaches.

Mr. Gauthier (Roberval): We would save $50 million.

Mr. Laprise: As my colleague from Roberval (Mr. Gauthier) says, we could save several million dollars that could be paid to those people.

In the notes we received when the bill was introduced and which accompanied the minister's release, we find a table outlining what the pensioner's spouse would be entitled to. It is said that now, according to the provisions of the act regarding those aged 65, for each dollar, we deduct one dollar from the guaranteed income supplement. We deduct $1 for each $4 of family income, that is 25 per cent. In the case of the spouse of a pensioner aged 65, we shall deduct $3 out of every $4, which represents a 75 per cent reduction. I wonder why there is such a difference. Why should we not grant to the spouse whose age varies between 60 and 64 the same benefits and privileges we have already granted to all those who are 65 years of age and over?

Mr. Speaker, this is also a point about which we shall question the minister when the committee meets to consider this bill. I think this is a situation which is very important and which deserves being fully explored. I leave it to my hon. colleagues to look into the principle of this bill more attentively. There are a great many other issues which may be raised and which I feel the minister has not sufficiently taken in to account. However, it is a great step in the right direction to improve this social legislation.

The minister stated that he is having conversations with the provinces to find ways to help spinsters and bachelors, widows and widowers 60 to 65 years old, people who would not be covered by this legislation. Being aware of the position of a number of provinces, I am quite worried about the outcome. In my opinion, the minister should insist that this legislation universally apply to people who reach age 60, in order to prevent discrimination against those who were not legally married.

Generally speaking, Mr. Speaker, I am satisfied with this bill, because it is a great improvement over the existing legislation. But because we want marked improvements to be made to this bill, we shall certainly propose

amendements likely to improve it, either at committee stage or on second reading.

[*English*]

Mr. Joe Flynn (Kitchener): Mr. Speaker, it gives me a great deal of pleasure to follow the hon. member for Winnipeg North Centre (Mr. Knowles) in the discussion on this important subject. The hon. member has been talking about this subject for many more years than I care to remember, and in fact more than some of us will ever get the chance to remember.

Mr. Paproski: Over 100 years!

Mr. Flynn: His having been able to contribute to this government for over 100 years has certainly enhanced the government's position. Perhaps it is his nurturing and feeding of information that has allowed this government to become far wiser and a far better listener.

Mr. Baker (Grenville-Carleton): Even if you do listen from a helicopter.

Mr. Flynn: With the big blades whirling around, it would be very comfortable. I want to direct some of my remarks to the hon. member for Hamilton West (Mr. Alexander). I rather empathize with him. He touched on some points which have certainly caused a great deal of concern. It must be remembered that Bill C-62 is the result of an agreement at the federal-provincial level. Out of those meetings have come suggestions for better legislation, certainly for the aged.

The hon. member for Hamilton West said that most of the Conservatives were not here because they were attending caucus. I thought perhaps they were down in Halifax in caucus choosing a leader, and choosing one as capable as the man from Hamilton West could mean an addition to the strength of the party and a great contribution to this country.

● (1500)

The particular point the hon. member for Hamilton West brought out was the fact that this bill does suggest we are only paying attention to the spouses and, of necessity, unmarried spouses. But I do not think that is particularly true. I think we should not fall into that danger. We should remember compassion and the compassion this government has shown all along for those who are in need.

I think the Old Age Security Act, with this income test and allowance, is a guaranteed minimum for the level of income that we want to reach particularly in this group. I might remind the hon. member for Winnipeg North Centre that if these two people had nothing at all they would start out with $408, and that is considerable, considering that they now have nothing. I think that in this group, and in the group he particularly alluded to, the danger arises in the area of the spinster, the widower, the bachelor, the single person, the lonely person, the person who has nobody to lean on, no crutch, no assistance at all at this age level. The latter, particularly, might become a victim of early retirement, and I think we have to be very careful of the early retirement situation to which this could lead.

Early retirement has a ring to it for hard-working Canadians during moments of heavy job pressure, and it may sound like the promised land. But the visions of pleasant leisure have proven mirages to many people who have had to face the many problems that retirement brings.

One crucial factor which must be taken into account in deciding the lower age of eligibility for government pensions under Old Age Security or the Canada Pension Plan is the effect this may have on the mandatory retirement age in the general work force. Certainly the last lowering of the age from 70 to 65 drastically reduced labour force participation by people over 65 by one third.

When such earlier retirement is voluntary this is one matter, although as will be seen not all who voluntarily retire wish to remain in retirement, especially after a year or two. But when retirement is involuntary, when it becomes automatic at a certain age regardless of a worker's wishes to stay on, then the question becomes more complex. Is it desirable to move toward a lower eligibility age, which may drastically affect the normal retirement age throughout the economy, before the desire for and the capacity to live with early retirement are determined for the working population aged from 55 to 65?

I am reminded that this may come quickly. Today my secretary turned 50 and pretty soon she will be up to that 55 to 60 bracket, and while not being able to wish her a happy birthday from this seat we wish her well and know she will eventually, as the mother of eight, go into retirement, and to a good one. Happily she will know the government is looking after her retirement, and that people like her will be looked after the same way.

It is not inconceivable that employers could use the availability of government pensions to get rid of older workers they feel are redundant or less than fully productive; they could ensure that these people could qualify for the government pension by the simple expedient of removing them from the labour force or by firing them. Yet these men and women may have no wish to leave work at all. Many people do wish to continue working until they are 65, as can be seen in many instances. For example, despite the excellent pension plan available to qualified federal government employees who retire before the age of 65, only about 15 per cent of those eligible exercise their option to do so.

Aside from the effects of early retirement on the workers themselves, there is also the general economic impact to consider. Even if almost all retirements are voluntary, what would happen if due to the impact of lowering the old age security and the Canada Pension Plan eligibility age, a large number of highly skilled and highly productive workers decided to leave their jobs? We must not underestimate our older workers. Less and less work is manual where the premium is on youth and on strength. Speaking of youth, I know of somebody else who is going into retirement tomorrow. When the hon. member for Lafontaine-Rosemount (Mr. Lachance) goes up to the altar and takes unto himself a bride. I think he is to be congratulated.

Some hon. Members: Hear, hear!

Mr. Flynn: More and more, long years of experience and technical training pay extra dividends which cannot easily be replaced. How much poorer the world would be if

people like George Bernard Shaw, Albert Einstein or Albert Schweitzer, to say nothing of the hon. member for Winnipeg North Centre, were to have ceased their labours at 60. I do not think he has ceased. I don't know when he is ever going to cease. I think he's going to go on forever.

An hon. Member: Just like Moses.

Mr. Flynn: That's right. I think he could be wound up by the hon. member for Edmonton who could keep him going just by pushing. He is like Moses, he keeps going and adds to our legislation.

An hon. Member: Where was he when the lights went out?

Mr. Flynn: It cannot be determined by any reliable method that younger workers are more productive than older ones even in highly technological enterprises. Mr. Speaker, I think the biggest and most important thing to keep in mind is this Bill C-62 and many of the bills like it in the old age category.

We must be careful and think of the people who are, as the hon. member for Winnipeg North Centre said, the spinsters, the widows, the widowers, the bachelors, those who are apparently unloved or untouched by the government. We are compassionate, and in the ruling as made by this bill to change the provision for spouses we show compassion in a big way. I hope the government goes on with its leadership for a long time and allows people to live a decent, honourable, and capable life within this community.

Mr. Allan B. McKinnon (Victoria): It is a pleasure to speak on this bill today, Mr. Speaker, and to do so with the understanding that the bill will receive fairly speedy second reading.

I listened to the remarks of the speakers who preceded me with interest. I must pay tribute to the honourable and venerable member for Winnipeg North Centre (Mr. Knowles) for his unremitting efforts on behalf of the pensioners of Canada. I have yet to hear a bill introduced into this House which the hon. member for Winnipeg North Centre has spoken to without getting on to pensions sooner or later. It is a remarkable feat of parliamentary magic. No matter what the subject is, the hon. member can introduce the topic of pensions and speak of the plight of pensioners. To my unending surprise and pleasure he was able to speak on pensions during the debate on national defence.

An hon. Member: When you have been here 80 years you will be able to do the same thing.

● (1510)

Mr. McKinnon: It is a remarkable attribute and I intend it as a compliment to him. I assure him, coming from the retirement centre of Canada as I do, that he is held in high regard among the pensioners of Canada as well as by myself. This does not prevent me from pointing out that the hon. member, in his remarks this afternoon, seemed to me to be a little unfair when he likened the position of the Conservative Party to the position of the Liberal Party.

[Mr. Flynn.]

We in the Conservative Party consider this a bit of an insult.

I bear in mind that there was a minority government situation in 1972. Having fought in that campaign, I heard a great deal about the position of the NDP on old age pensions. They campaigned on a basic pension of $150. This substantial raise would, they insisted, be one of the first terms for their support of the Liberal Party in a minority goverment position, yet they caved in far too easily when there was a relatively miserly raise of $12, bringing the pension up to $100.

I remember sitting in the House the night when the budget came in. The hon. member for Winnipeg North Centre had been insisting on the $150 figure; I thought it would be about $130; and the Minister of Finance (Mr. Turner) announced $100. I turned to my seatmate and said, "That's the end of this parliament; the NDP would never support such a miserly raise". But they swallowed their protestations and principles and voted with the Liberal Party on that occasion. I am only saying this because of what the hon. member said about the Liberals and the Conservatives.

I should like to take a look for a little while at the bill which is before us. I know that the Minister of National Health and Welfare (Mr. Lalonde) is noted for having speechwriters, but I think he should let his speechwriters write the bills, and have the people who write the bills write his speeches, or at least try to do something different so that the two can agree.

Mr. Paproski: A $300 speech of a $600 speech?

Mr. McKinnon: I thought that today's was a $700 or $800 speech. I thought it was one of the better ones his writers had provided him with, and I hope I do not create any dissension among his speechwriters if I suggest that he should go up to $700 or $800 for that one. This bill appears to me to be partly written by speechwriters. As for the other part, it looks as if he has given a different page to each section of his department and said, "Write the page and pay no attention to what the other pages say; we will put it together and throw it in front of parliament".

This bill is one of the most confusing and contradictory pieces of paper ever put in front of us, and perhaps I can point to some of the contradictions.

The definition of a spouse is the first thing that creates concern and puzzlement. The first page clearly defines the meaning of "spouse". It says:

> "spouse" in relation to a pensioner includes a person of the opposite sex who has lived with the pensioner for three or more years where there is a bar to their marriage or at least one year where there is no such bar and the pensioner and that person have publicly represented themselves as man and wife;

That sounds quite simple, except for the fact that one of the minister's speechwriters put out a news release the same day saying that persons applying for the guaranteed income supplement and spouse's allowance for the first time will be required to submit a certificate of marriage. There is no way on earth that you can have both of those things, and I say that a bill of parliament should take precedence over the minister's press release. So when we come to consider the meaning of "spouse" we will take it

that it means what the bill says it means, not what his hired speechwriters and pressmen say.

Page three of the bill talks of separation. This is part of my general complaint about the bill—it is such a mean bill. It is a mean, small-minded bill that goes out of its way to see where it can cut people out. Under the side-note "Eligible spouse of pensioner" the bill provides:

For the purposes of this Part, a spouse of a pensioner is an eligible spouse if the spouse

(a) is not separated from the pensioner;

What makes the minister think that a person will not need an allowance if they are separated from their partner? It is obvious that they will need money more than if they were both living together. Perhaps the minister is trying to keep families together and is saying they will suffer a financial loss if they separate. I believe that the Prime Minister (Mr. Trudeau) was on the right wicket when he said that the government has no business in the bedrooms of the nation. Yet here is the minister insisting that in order to retain their allowance they must continue to live together even if there are several reasons why they should not.

Clause 5 has an explanatory note, and there we find a definition that is different from the definition of "spouse". This note reads:

The purpose of this amendment is to provide after September 1975 for the payment of spouse's allowances to persons 60 to 64 inclusive who are married to and living with pensioners.

The phrase used there is "married to", yet according to the definition of "spouse" they do not have to be married. In fact it is clearly spelt out how they are to be treated if they are not married.

On page four of the bill there is a residence requirement. While I am pleased about some of the things said about residence requirements in the speech of the minister, quite a bit of this is due to the prodding and the unbelievable success of the Conservative member for Okanagan-Boundary (Mr. Whittaker) in getting a resolution through this House providing that service in the armed forces of Canada overseas would be counted as residence in Canada. The bill provides that a person is eligible if he—

—has resided in Canada after attaining eighteen years of age and prior to the day on which the application is approved for an aggregate period of at least forty years.

In other words, a person who is 18 has to reside in Canada another 40 years, which takes him to the age of 58, allowing him only two years out of Canada. That is very little time, and I suggest many of us spend two years out of Canada on holidays during a lifetime.

The minister listed several exempted categories this morning, including servicemen and people in government service. But there was one category he missed, and I hope it is an omission that can be corrected in committee. I refer to students. Students often spend two years outside Canada. If they are 18 and they go to a post-graduate school in the United States or elswhere for three years, when they reach 60 they will discover they do not qualify because they will not have an aggregate period in Canada of 40 years. I think the minister should exempt students along with the others he mentioned.

The bill also provides that there must be a joint application for a spouse's allowance. It is not every couple that will sign a joint application, and I fail to see why there must be a joint application. The assumption is that the couple are getting along well together and are not on opposite sides of the house refraining from co-habitation. It seems to me that this is an invitation to a pensioner to withhold the allowance from his spouse if he feels mean enough.

There is a provision on page 5 that hits widows above all others. I refer to the cessation of allowance provision. This applies to those who cease to be a spouse or an eligible spouse. Most speakers today have mentioned the case of the woman of 62 who has a husband who is 66, each of whom draws half of the pension. Then the husband dies, and suddenly all of the pension ceases and the widow is left destitute. This seems to me to be about as mean as you can get with government money, particularly when spent the way this government spends it.

Then on page six of the bill provision is made for a means test. Speaking for myself, I am one of those who have never believed that a means test is necessary. It is a disincentive to people to prepare for their old age. It is a disincentive to save. It is also a disincentive for those who are in a pension plan. I suggest it only exaggerates the current problem.

If a couple are in middle age, 45 and 40, and they look forward to the day when they will be 65 and 60, at the present time they will get $400 a month, or a little more, if they arrive at those ages penniless, having made no preparation for their retirement. If these people have prepared for their old age they will receive from the government $100 a month, or one-quarter of the money they would otherwise receive. They will be making a sacrifice if they prepare for old age to the extent of taking out a private pension plan, or buying into a deferred payment plan or a registered retirement saving's plan, or if they should belong to a union. They can look at the pension and say that the first $300 will be funny money and will not be of any use to them. They can say that if they did not have it they would receive it from the government.

● (1520)

The worker can say that the first $300 of a pension plan is not worth anything to him and that the plan should start above that point so that it would be a good pension. I think we will end up with more people taking the view that it would be stupid to arrive at retirement age with any income, because otherwise they would receive $400 a month. I think this is bad for the country especially at a time when it is hoped that we can buy back our own industry from a foreign country.

There is one final point I should like to make concerning the cancellation of the Old Age Assistance Act which is being repealed by this legislation. This concerns me. I am not a lawyer, but I notice that in the original Old Age Assistance Act it states that payments to a province pursuant to this section—referring to Section 3—shall be made only in respect of a recipient who fulfils certain conditions.

Section 3(2)(c) of the Old Age Assistance Act refers to an unmarried person whose income, inclusive of assist-

ance, is not more than $1,260 a year. If the Old Age Assistance Act is cancelled it seems to me this would mean we would be taking away the rights with regard to unmarried persons. Since this bill does not refer to unmarried persons it would seem that some people will lose out.

Section 7 of the Old Age Assistance Act states that in every agreement the province shall, subject to section 3, specify the minimum age of a recipient and any other conditions of eligibility set forth in the provincial law. I should like to give credit to the government of the province of British Columbia for its thinking in this regard. It has specified the minimum age of a recipient at below age 65. It would seem to me that by cancelling the Old Age Assistance Act we may be cancelling the provision which enables the provinces to pay pensions to people under age 65 and have the federal government share in this.

I hope that this matter will be discussed in the committee so that I may be reassured no harm will be done by the cancellation of the Old Age Assistance Act. I am more reassured when the hon. member for Winnipeg North Centre (Mr. Knowles) tells me that it will not hurt anyone than I am by the press releases of the federal government at this time.

I shall not take any more of the time of the House because I realize other members wish to speak. I, like others who have spoken, will support this bill because it covers 80,000 people in need. I think the faults in the bill are obvious to all members. A re-writing of the bill would seem to be necessary. We will support the bill at this stage in the hope that it will come back from the committee in an improved state.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am very happy to take part in this debate. I share the sentiments expressed by my colleagues on this side of the House, with which I know the minister agrees, that this matter should proceed today to the appropriate standing committee so that it might be dealt with as expeditiously as possible.

I listened with great interest, if I may say so, to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles). Quite frankly I felt a little badly that he, particularly in the context of this type of legislation, should have been pilloried for being the only member of his party present in the House. I thought that was most unfair, particularly by reason of the fact that most of the members who were doing the pilloring know that he is better than any five of them put together when it comes to the matter of pensions and in terms of his contribution to this House. This does not take away in any way from those who chose to castigate him and his party because he was the only person here; it is merely putting them in their proper place and order in the scheme of things.

I believe the hon. member for Winnipeg North Centre has a reputation in Canada for being one of the advocates of justice for senior citizens and for the disadvantaged. I think it is a reputation many members in this House would like to have at the end of their parliamentary career. Notwithstanding the fact that the hon. member for Winnipeg North Centre is a recipient of old age security he is one of the more youthful members of this House, and is perhaps only half way through his parliamentary career.

[Mr. McKinnon.]

Mr. Knowles (Winnipeg North Centre): I am just getting started.

Mr. Baker (Grenville-Carleton): I am glad the hon. member said that because I wish to read a poem which I think might be of interest this afternoon, and which may apply to the hon. member for Winnipeg North Centre at some time, but certainly not today.

A man isn't old when his hair turns grey;
Nor yet is he old when his teeth decay;
But he's heading fast for his last long sleep,
When his mind makes appointments that his body can't keep.

I do not know in what category of that poem the hon. member for Winnipeg North Centre might fall, but he is a man who has brought great distinction to this House. I believe he has fought the case as hard as anyone in this country for senior citizens and pensioners of all kinds. I am glad he has had the advantage of reading the literature produced by the Progressive Conservative party during the last election, because there was in that literature a commitment to something that goes far beyond this particular legislation. I am glad he has said he supports advances in pension legislation.

I am sure we all agree that parliaments must deal with the pieces of legislation they have before them. This is an inadequate piece of legislation for many Canadians. It discriminates, as many members have said, against the large group of Canadians who perhaps finds themselves, in terms of their ability to make a place for themselves in the work force, in a worse position than others. However, that is the extent of the government's commitment with regard to old age security at this time. I do not know how else to measure the commitment of a government than by looking at the legislation that is brought before us. If this is the extent, and I think it is at this time, of the government's commitment, then I think it is inadequate.

● (1530)

Although we intend to support the legislation on the same basis as does the hon. member for Winnipeg North Centre, that is, on the basis that it is a small step forward, we cannot support it without bringing forth questions—it would be dishonest for us to merely say, yes, we support the bill—in terms of that group of people in Canada whom the bill does not affect, such as single women, widows, widowers, bachelors and divorced persons. I know there are federal-provincial problems. The hon. member for Hamilton West (Mr. Alexander) said that applying the provisions of this legislation to the above mentioned group of people is a long way away, if it is to come at all.

The liberal government has the habit of trotting out some things on a four year basis in terms of advance notice. I do not know why they do that, and the beauty of this Friday afternoon does not allow me to be cynical, but the fact of the matter is that this legislation is only worthy of support to the extent that it goes. It should not be built into something that it is not, and I hope that if necessity speeded us into an election perhaps we could find ourselves dealing with those categories of people who have been left out from this legislation.

The other matter dealt with by the hon. member for Winnipeg North Centre in terms of the literature to which

he referred for our edification, and I am glad he did, was that the Liberal party's commitment on July 8, 1974, only dealt with married people. That is quite so, it did. What concerns me about this legislation is not so much the relationships that it envisages—and I am sure the committee will unscramble anything that has to be unscrambled—as the fact that it is given predominance in the legislation ahead of a group of people who, in terms of our economic life today, need some protection within the context of this bill, however limited it may be. I am referring to married couples who depend upon this type of payment for their existence.

If a priority is established, then it should be in favour of married couples because it was in that sense that the piece of literature with which we dealt at some length was phrased. Married couples should receive first priority within the context of this legislation, and they should not be sacrificed for others who might be qualified on a different basis.

Now I want to deal with one matter which, I am happy to say, is dealt with in the bill. It has to do with financial errors. I have written to the Minister of National Health and Welfare (Mr. Lalonde) on many occasions regarding problems of overpayment of pensions. I must say to the minister that he has always been very prompt in dealing with the correspondence I have sent to him, and I am sure that is generally the way he has dealt with correspondence from all members of parliament. Perhaps some of his colleagues in cabinet could emulate this. There is an immediate acknowledgement from the minister of letters sent to him, and there is always a follow up. I do not want that practice to change because I mention this today, but he is the one minister for whom it is not necessary to mark one's files to remind the minister to answer. I do not want his head to blow up so much that he will have difficulty getting into the lobby, but that is a statement of fact.

The unfortunate thing about this particular error which this bill is meant to catch, that is, financial error and the necessity of paying back, is that the necessity in law is there. There is absolutely nothing the minister can do in terms of his discretion to assist old age pensioners who find themselves in that position. His answer has always had to be that he is sorry, it was an error, and he apologizes. He can make all the excuses and protestations he wants, but whatever is the computer they use that made the mistake, older people do not necessarily take advantage of that kind of error, and there is nothing the minister can do about it. I have had this experience many times, and I understand that that is the reason for this provision in the bill.

I think it is a very important clause because it allows, in case of senior citizens, that special group of people who in terms of opportunities for advancement might be called disadvantaged, for an exercise of discretion such as other ministers, notably the Minister of Manpower and Immigration (Mr. Andras), have exercised with respect to ministerial permits in proper cases, and there is a question as to how it operates. I am not suggesting that the minister should be forgiven for errors which cause inconvenience, but I am suggesting that this is a very good provision for which the minister should be commended.

Our party's policy with regard to senior citizens is much more far reaching than is the government's, and it has been for some period of time. It is an expression of our concern for a group of Canadians who fall within a special category, not only because of the difficulties which they experience in the work force and in remaining in the work force in a society which puts increasing emphasis on youth, but because most senior citizens have made a significant contribution to the well-being of the community. They have laid the foundation upon which we advance. For that reason alone I think they are entitled to our consideration.

It is also important that we look at the needs and requirements of senior citizens from another point of view, the need which they have in their particular circumstances to care for themselves in terms of housing, food, and health services, all of which are very important components of the cost price index in this country. It is a fact which I do not think anyone will dispute, that senior citizens spend a larger proportion of their income on these necessities than do other citizens, and it is important therefore that we never lose sight of the necessity for constantly updating and reviewing the amounts of money we are prepared to pay as citizens in a progressive society toward their well-being.

It is important also that we take a look at the cost price index to see whether it is the proper index upon which to gauge their needs and requirements. Some people have spoken of an old persons' index or the index of the disadvantaged, in search of phrases that would be weighted in favour of senior citizens who might find themselves in need, because it is a fact that senior citizens have different needs and expenses than does the average Canadian family of four and, as a result, new measurements must be devised to meet these unique needs.

The hon. member for Winnipeg North Centre the other day called for a basic old age pension of $300, and he referred to it again today. I really do not know whether or not the country can afford that, but I believe that whether the figure is $300 or any other figure, a country with our riches in terms of our resources, our gross national product and the opportunities which we are able to give to our young people, and to other people who do not have the disadvantages of senior citizens, should not lose sight of what is in the spirit of the suggestion of the hon. member for Winnipeg North Centre.

● (1540)

I believe that senior citizens have to be treated as a special case. The hon. member for Winnipeg North Centre has made a life's work of treating senior citizens' pensions, superannuations and other pensions as special cases. I do not really believe we have tapped the possibilities with respect to aid, not only in terms of monthly cheques, but aid in terms of the provision of adequate housing, in terms of provision of adequate services for those who, perhaps through age, cannot get around as well as they might. There was an instance of this in Ottawa-Carleton not too long ago. I think these have to be considered in a special category.

When I think of the amounts of money the government has been prepared to spend in certain areas and when I

think of the fact that since 1961 the total cost of operating the Privy Council office and the office of the Prime Minister has increased by 1,148 per cent for a total increase of $5,901,000, then I think the government must give more than lip service to the contention that it is its duty to protect the disavantaged in terms of present benefits.

When I hear that the government is prepared to spend $821 million on professional consultant services—that is over and above the very capable public service of this country—and those services have increased 509.1 per cent since 1961—when I hear of that kind of extravangance I am not one of those who believe that we are incapable of providing for our senior citizens a continually increasing adequate income. If we are not prepared to take the steps which are necessary to fight inflation, or in the alternative if we cannot, which seems to be the argument of the government, then the government must recognize its duty to protect these people.

When the present benefits are related to skyrocketing inflation in terms of necessities of life and how those necessities relate to senior citizens as a particular group, I think those figures themselves speak for the necessity, not just for this legislation, but for ending the discrimination which is apparent in the absence of those provisions for other single people—the single woman, the widow, the widower, the bachelor, or the divorced person.

This discrimination cries out for action, and it is in that sense that I think this legislation is inadequate. Let us make no mistake about it. Let us not beat our chests with pride over this legislation. Let us not have the minister put his elbow out of joint from patting himself on the back over this piece of legislation, because in terms of the problem we have really not yet begun, and I do not want to gainsay in any way the efforts of the hon. member for Winnipeg North Centre.

I believe that the hon. member for Winnipeg North Centre has been in the forefront of this fight. If the government has copied what he has proposed, then as a plagiarist I think it has done a reasonable job. I do want to gainsay that, but I am satisfied that all of the good will toward senior citizens does not rest in the bosom of the hon. member for Winnipeg North Centre. There are many of us on all sides of the House who feel very strongly about this subject. Many of us today feel just a little twinge of guilt when we compare the magnitude of the problem with the relative poverty of the answer in terms of this legislation.

I understand that another hon. member wishes to speak, and I will relinquish the floor. Others have said that we in this party intend to support this legislation. We wish to see it go through today, but I will end by saying that in this particular area our work in this House has really only just begun.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Claude Tessier (Compton): Mr. Speaker, I am privileged to take part in this debate, which in my view must rather be a consensus, because there can be nothing but agreement on the objective. This bill is an invitation to make a concrete step to improve the situation of older citizens. It involves a positive gesture, keeping in mind that there is no perfect solution. What is involved here is the meeting of real and effective needs, through a fair transfer.

[Mr. Baker (Grenville-Carleton).]

We, on the government side, recognize and emphasize that this bill aims at a more adequate treatment, although not perfect. Mr. Speaker, we are much the more pleased that this concern, on the government's part, was one of the objectives set during the last election. We are happy that it can be achieved.

We share real concern on this matter. This is not only an abstract concern, but a deliberate attempt to achieve positive results. We wish to repeat that we are just as much pleased as opposition members with this concensus, if not on the wording or means, at least as a cooperative effort at achieving the aim within the overhall economic situation. In so doing we show consideration for our elders and their vital needs, not being content with what has been done but attempting to do more if a majority so decides.

This is no election time politicking, this is recognizing our obligation to give our older citizens a practical answer to their effective problems.

As a politician concerned with the welfare of all my constituents, I have had an interest in the aged since I headed a home for elder citizens. I also animated Golden Age Clubs. I recognize that elder citizens have special needs, and I cannot accept that they should not have their share. I am inclined to support the minister without reservation on this legislation, no doubt because it incorporates in law the principle of a pension for every person. This in my view is correcting a discrepancy concerning couples in need. In addition to support for the bill, I extend my appreciation to the minister and the government because I regard this as an invitation to make further steps, keeping in sight at all times a constant priority which we should try never to forget.

We must also consider the ability to pay, in other words to redistribute while taking into account the fact that this fight is not and will never be over and that we must have the courage and the ability to fight it when the time comes.

In answer to my colleague from Abitibi (Mr. Laprise), I would say that I consider that government members are and have always been in favour of such a measure. However, we have had to wait for the right moment to give priority to this concern, and that is a matter of choice and timing. However, we must be sufficiently realistic and honest to understand this and to act accordingly, and also to speak and to listen accordingly. To say this is to be realistic and to take into account the social and economic reality. This is also a challenge to our senior citizens, not to fight and to protest noisily, since there are always too many who do so, but to continue to tell us about their needs in a way that I wish to be energetic and effective, but without losing their serenity and sense of measure.

I would like to speak on behalf of our senior citizens living in sparsely populated areas, which are often forgotten in the total context of our economic reality. Indeed, legislation is too often based on a universal concept, but in the case of Bill C-62, real and special needs are considered, and we may start to hope that our needs will be taken into account.

Finally, Bill C-62 provides some authority for the minister. This gives me an opportunity as a new member of Parliament to invite the House to go further and have more confidence in the government. In my opinion, this would add to our seriousness and our effectiveness. I am astounded that some of us act as defenders of our institutions, of the authority of these institutions, and respect nothing when speaking. I am also surprised that the legislation must be such that the statesmen, the representatives of the people, have to sacrifice all their authority in favour of overly powerful public servants. Afterwards, this situation is deplored. We must wonder about this and confirm the credibility of statesmen, their ability to administer and take into account the real needs and the talents of the established authority, as well as their authority and ability to make decisions, and finally, we must confirm the initiative of able individuals, which is too often destroyed by bureaucracy.

And here, I wish to call on all members of the House to regain the required effectiveness of our problem-solving capacity. The question that I ask myself is this: Can we serve Canadians, are we representatives? If so, whom do we represent? Is it possible to represent them? Our people have needs and, because of Bill C-62, I have the impression not only of being aware of the needs of a certain number of voters, but of giving them a completely practical answer. And I know that members on this side of the House share this feeling and wish to proceed by stages while taking into account the whole political, economic and social reality.

● (1550)

[*English*]

The Acting Speaker (Mr. Penner): Order, please. Is the hon. minister rising on a point of order?

Mr. Lalonde: Mr. Speaker, there have been some discussions among the various parties in the House. I should like to thank the hon. member for Winnipeg North Centre (Mr. Knowles) in particular for his kindness in agreeing to give up some of his time this afternoon so that we can conclude this debate today. If there is unanimous agreement among the parties I would certainly appreciate it if we could conclude debate today. Once more I should like to thank the hon. member for Winnipeg North Centre.

Mr. Baker (Grenville-Carleton): Mr. Speaker, there is certainly no doubt about our position. If it is necessary, we concur in that. I should like to know if it is agreed—and I address this question to the hon. member for Winnipeg North Centre (Mr. Knowles) through you, Mr. Speaker—that we should also proceed with that other piece of legislation, the Petroleum Administration Act, which is to come from the Senate. Is that part of the understanding?

Mr. Knowles (Winnipeg North Centre): It has already been made clear that I am prepared to surrender the time that was to have been spent on my private member's bill, C-249, for the purpose of finishing Bill C-62.

With respect to the other question, the answer is a conditional kind of yes. I have sent a message to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and provided he gets here while the Senate amendments to Bill C-32 are under discussion, that will be satisfactory. It is not far from his office and I expect him momentarily. At any rate I am prepared to give whatever part of the private members' hour is necessary for either or both of these pieces of legislation to be passed.

The Acting Speaker (Mr. Penner): The House has heard the suggestion of the Minister of National Health and Welfare (Mr. Lalonde). Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, to my knowledge, it is the second time such a situation occurs in the House on a Friday afternoon. In other circumstances, your humble servant was the one who agreed to yield his time on private members' business to allow the passing of important legislation.

I therefore congratulate the hon. member for Winnipeg North Centre (Mr. Knowles) for having enabled the hon. member for Bellechasse to express a few ideas in the course of the consideration of that important bill.

Mr. Knowles (Winnipeg North Centre): You are very kind.

Mr. Lambert (Bellechasse): Thank you very much. I gave the minister my word I would be brief, however, I want to discuss seriously the principle of the bill which I consider as very important. In fact we know some aspects of the bill are excellent while others are not so good.

To follow on the remarks of the previous speaker, I would say, about the officials who draft bills, that they are extraordinarily talented. They manage to put in bills some very good provisions and slip among them not so good ones. So we find ourselves in a difficult situation. If we want to discard the not so good we must discard the good ones. If we accept the good ones we must take the others.

It is for that reason that I ask the Minister of National Health and Welfare to kindly agree to bring in amendments when this bill is considered in committee, particularly with respect to the term "spouse". What does that mean? I quote from the definition of the bill:

> "spouse" in relation to a pensioner includes a person of the opposite sex who has lived with the pensioner for three or more years where there is a bar to their marriage or at least one year where there is no such bar and the pensioner and that person have publicly—

—publicly, how many times, that we do not know—

> —represented themselves as man and wife;

Mr. Speaker, I find it quite extraordinary that a serious legislation should sanction for all practical purposes the community life of a man and a woman and should determine that they become spouses without being married. I find that terrible. I think it is a very serious hitch when one considers what the family and family rights must be. I think it is a very bad example to give young people. We meet young people, I have lots of them, and I know what they talk about. When you listen to them, when you talk with them, when you touch on the question of family life, marriage, they are somewhat reluctant, and for all sorts of reasons. Yet, when they look at what we do, you cannot blame them because we are adults, responsible people, and

we are now by every kind of legislation, and this bill is one of them—

● (1600)

[*English*]

The Acting Speaker (Mr. Penner): Is the President of the Privy Council (Mr. Sharp) rising on a point of order?

Mr. Sharp: Yes, Mr. Speaker. I regret to interrupt the hon. member's excellent speech but wish to announce, that there have been discussions about the disposition of two items, Bill C-62, which we are now debating on second reading, and concurrence in amendments made by the Senate to Bill C-32. I understand that there will be little debate, if any, on the motion to concur. I wonder if the hon. member would agree to postponing the rest of his speech until after we dispose of concurrence in the amendments to Bill C-32. I should explain to my hon. friend that some members of the party opposite want to be present when that item is disposed of, and they must leave soon.

The Acting Speaker (Mr. Penner): The President of the Privy Council seeks agreement to postpone debate on Bill C-62 and to proceed with concurrence to amendments made by the Senate to Bill C-32. Does the House agree to this?

Some hon. Members: Agreed.

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PETROLEUM ADMINISTRATION ACT

MEASURE RESPECTING THE ADMINISTRATION OF INTERPROVINCIAL, EXPORT AND IMPORT TRADE IN PETROLEUM AND PETROLEUM PRODUCTS

Hon. Mitchell Sharp (for the Minister of Energy, Mines and Resources) moved the second reading of and concurrence in amendments made by the Senate to Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade.

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I thank hon. members for their courtesy in dealing with this matter. The House is considering concurrence in a number of amendments made by the Senate to Bill C-32, and I am pleased to speak to that motion.

Nine amendments were made in the other place to the bill as passed by this House. Of these, seven were proposed by the government in committee and, of these seven, six were purely technical in nature, directed to the correction of inconsistencies between the English text of the bill and the French text. Since both texts are authoritative it is of course imperative that any discrepancies be removed.

The remaining government amendment, which introduced a new clause 95(2), was intended to remove a possible administrative difficulty. The substance of Part III of the bill depends on the prescription of prices by the governor in council pursuant to either clause 51(1) or clause 52(1). Clause 51, as hon. members will recall, deals with the situation in which there has been agreement between a producer province and the minister, pursuant to which the governor in council may by regulation prescribe certain prices.

Clause 52(1), on the other hand, deals with the situation in which no such agreement has been entered into, or such an agreement has for one reason or another, as set out in section 52(1), become ineffective. In such circumstances the governor in council may unilaterally prescribe prices. Again, as hon. members will recall, an amendment was made to section 52 when the bill was before the House, as a result of which there will be an opportunity for debate in this House if the section is proclaimed.

Dependent on these two subclauses is a series of clauses, 53 to 65 inclusive, which are administrative in nature. The effect of the new clause 95(2) is to ensure that the administrative clauses do not come into effect immediately the bill becomes law, thus preceding the substantive implementation of clause 51(1) or clause 52(1). The wording of the new clause 95(2) states in effect that until the governor in council acquires power in section 51(1) or 52(1) to prescribe prices, sections 53 to 65 do not come into force.

Just prior to consideration of this bill in committee of the other place, one of the major natural gas companies, TransCanada Pipe Lines, made representations to the effect that they foresaw some difficulties with respect to clauses 53 and 64. These were reviewed in committee, referred for discussion between officials of the company and officials of the Department of Energy, Mines and Resources, and re-submitted to committee after a text had been agreed and had received the drafting approval of the Department of Justice. The amendment to clause 53 relieves the natural gas companies of a possible conflict between certain commercial obligations on the one hand and compliance with the bill on the other hand.

Clauses 53(1)(a) and 53(1)(b) as the bill was passed by this House prohibited the movement and acquisition of gas from within a producer province for consumption outside that province unless the price paid for the gas is approved by the National Energy Board. There was no corresponding prohibition on the other side of the transaction, namely, the sale. The company therefore saw a risk that it might be contractually bound to buy gas at a price not approved by the board and yet be legally prohibited by the bill from moving it out of the province. The gist of their proposal, therefore, was that there be a prohibition on the sale of gas, except at a price approved by the National Energy Board. This would remove the possible conflict between their obligations under contract and under the bill. In this context I should perhaps remind hon. members that Part III deals only with gas in interprovincial and international trade and not transactions wholly within the province of production.

The amendment proposed by TransCanada Pipe Lines to clause 64 was to remove what it perceived as an uncertainty as to the determination of "cost of service" or "purchasers' cost" pursuant to clauses 64(1) or 64(2) respectively. The amendment provides that in determining cost of service for the purposes of clauses 64(1) or purchasers' cost for clause 64(2), the board will apply the same principles

as it would use under Part IV of the National Energy Board Act. The effect of this is to ensure that gas pipeline companies do not find themselves operating under rules which might be mutually inconsistent. All of the amendments were discussed in committee of the other place, and evidence was given, in answer to questioning, by officers of the Department of Energy, Mines and Resources, and by senior officials of TransCanada Pipe Lines.

The amendments to which I have just referred in some detail are, it is self-evident, highly technical in nature but, as I have said, they have been closely examined by technical experts before being submitted formally to the committee of the other place. With this explanation, I hope that the House will give its concurrence to the amendments to the bill which were made in the other place.

Mr. James Gillies (Don Valley): Mr. Speaker, I wish to thank the parliamentary secretary who has just spoken on the motion for concurrence for giving us all the information available to him. We concur in the amendments because they are, as he said, mostly technical.

I take this opportunity to say that we still think, and our agreement to concur in the amendments does not alter our position, that there are many better ways of resolving the difficulties of pricing in this country than those set out in this piece of legislation which may involve us in conflict of principle and constitutional difficulties. We, in my party, think that this matter could have been handled much more effectively if it had been done differently. We make no apology for the time and the energy that have been put into trying to improve the legislation. We are only sorry it could not have been improved more.

● (1610)

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I will not delay the House very long. I just want to add to the remarks of my colleague, the hon. member for Don Valley (Mr. Gillies). I strongly agree with his views that we were acting most responsibly. Any extended time we took to analyse this bill was because of its possible repercussions.

It strikes me as passing strange and, indeed, a bit of an irony that after being accused by members opposite on a number of occasions, and having their minions placed in the press accusing the opposition of being irresponsible in delaying the passage of legislation through the House, the Petroleum Administration Act is proof positive that an overhaul of the rules is needed.

As a result of these nine amendments to the bill we may be open to the charge of irresponsibility, not irresponsibility for excessively close examination of the bill but for not examining it further. This demonstrates that far from taking too long to examine this bill at second reading in committee stage, we should have taken a longer time. We should have demanded of the minister that he assure us of the legality of each clause. I think it is a bit of an irony.

If there is sloppiness and tardiness, and if legislation that passes through this House is imperfect, I hope that those who are so quick to blame the opposition for everything that is wrong in the country might re-examine the procedures used by the government.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the members of the New Democratic Party concur in the amendments which have been proposed by the other place.

Mr. Gillies: Even Stanley?

Mr. Douglas (Nanaimo-Cowichan-The Islands): These are mainly technical amendments which clear up a number of anomalies. They will help to improve the legislation.

I cannot agree with those who think there could have been some other way to deal with the problem which confronted the country. The New Democratic Party has taken the position from the beginning that unless some agreement could be reached with reference to pricing of oil and gas, the federal government must have the authority to safeguard the interests of the country and to do some economic planning with regard to the price of the very important energy resources dealt with in this legislation. That is not to say we are fully in accord with the treatment of the producing provinces.

We have been most critical, and continue to be critical of the fact that after the producing provinces had agreed to take lower prices, they were confronted with provisions in the budgets of May 6 and November 18 of last year which took away from the provinces some of the benefits they were to receive for agreeing to accept a lower price for their products. I think that has created a good deal of bad feeling.

I agree with the hon. member for Calgary Centre (Mr. Andre) that the opposition parties were justified in taking adequate time to examine this legislation. While we in this party supported this legislation, we have not supported the way in which the government has treated the producing provinces. However, that is not covered by this bill. It does not come under the purview of the Minister of Energy, Mines and Resources (Mr. Macdonald). It is the responsibility of the Minister of Finance (Mr. Turner) and the government.

When I consider, for example, that provinces agreed to put extra revenue into a fund for the exploration of oil and gas on the understanding that this would not be taken into consideration when determining the amount they would receive from the tax-sharing program, and then found to their consternation that one third of the revenue was going to be taken into consideration when determining the payments under the tax-sharing program, I think that was a betrayal of a commitment. The provinces found to their consternation, and the oil and gas industry found to their dismay that the moneys paid to a provincial government by way of royalties were not to be allowed as deductible when paying their income tax. This has taken away much of the quid pro quo which the provinces thought they were getting when they agreed to a domestic price which was considerably lower than the international price.

There is not much value in going over this again. However, I think it is worthwhile for the government to remember that this legislation, which gives it very considerable power, ought to be used with discretion, keeping in mind that the provinces have co-operated, and co-operated very well. I hope when the government is preparing its budget for June 23, it will keep that in mind, and try to

show the same consideration and extend the same good will to the provinces which the provinces have extended to it.

I am very glad to see this legislation now in its final stages. I hope that as a result we will be able to deal more adequately with the problems of oil and gas as they affect the people of Canada.

The Acting Speaker (Mr. Penner): Is the House ready for the question?

Some hon. Members: Question.

Motion agreed to, amendments read the second time and concurred in.

* * *

[*Translation*]

OLD AGE SECURITY ACT

AMENDMENT TO PROVIDE FOR PAYMENT OF SPOUSE'S ALLOWANCE TO PERSONS SIXTY TO SIXTY-FOUR

The House resumed consideration of the motion of Mr. Lalonde that Bill C-62, to amend the Old Age Security Act, to repeal the Old Age Assistance Act and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, every day in the House should be a Friday. A lot of work would be done in much less time, and that would be very nice.

As I was saying quite seriously a while ago, young people look at what we do, observe us, remember what we say and act accordingly. One only has to listen to their arguments here and there after meeting or any occasion to be convinced that they have ideas fully in line with the legislation passed in the House of Commons or provincial legislatures about family privileges and rights. It is for that reason that they often say it is much more advantageous for them to live together without being married. It is not to the advantage of a society to have laws that promote such situations. I think that if we are not careful, if we do not take care right now to try and improve our way of thinking, our way of legislating, very difficult situations will result in our society because the family is the basis of society. The family is the measure of society.

If we want to have a sound society, a united society, a strong society, we must absolutely preserve those small societies—families—in strong and united circumstances. Why not, if we recognize as a spouse someone who lives with another person, even if the law says that it will be recognized after three years. God knows that in our society there will be hundreds of cases like that and it will be difficult to find ways of meeting the requirements of the act. I think this will again be an underjob and we will create situations as we find in social welfare.

I think all hon. members agree to remember that in certain cases some people reasoned this way: I am unemployed, my wife works, but the income is not adequate to meet the needs of the whole family. I am willing to work, but I can't find a job. I am 55, 60 or 58 years old. So they are told: "Go to the welfare office. There is a law specifically designed for you". But they answer: "Well, I saw the welfare people, but they said: We cannot help you, your wife is on the work force. We cannot help you unless you live away from home. Go and live elsewhere and we shall help you". I would hate to see such situations officially recognized under a federal legislation.

I think we should consider very closely the clause of the bill dealing with the spouse and try to improve it, so that it will give greater recognition to family rights and promote stronger family ties. If the pension and supplement are granted to people who live together without being married, why should it not be granted also to widows and widowers who have not remarried, or to bachelors who are not married either; they are entitled to live elsewhere, so why should they not qualify for it too?

● (1620)

So I think we should very seriously consider that whole matter so as to avoid possibly unfortunate arguments during Golden Age Club meetings. Imagine a Golden Age Club meeting is scheduled for tomorrow. There will be people 75, 80, 60 years old, some of them married and others single, widowers and spinsters, bachelors, all kinds of people. Among them are those who live together, and who will benefit from a federal legislation, and others who will be denied that benefit and are also there to socialize, as members of the club. In what spirit do you think they will discuss our statutes?

Secondly, I think if we took it for granted that we should legislate and amend Bill C-62 to allow anyone over 60 to benefit from that legislation, we would be taking a step towards national unity, because those funds, those revenues would all stem from the same source and would be intended for people aged 60 or over. Then, we might understand better what it is to live in a federal state, why we have a parliament, why we have population-oriented laws which are the same throughout the country.

Mr. Speaker, in concluding my remarks, I would like to refer to a publication which has been distributed to us and is entitled: *Le soutien et le supplément du revenu* dated February 1975. It is a federal-provincial review of a working paper we already know about. In that booklet, on page 16, there is a table which I found very interesting. I would like to end my remarks by mentioning that, in that table, the costs of the programs for senior citizens: old age security pension, guaranteed income supplement and superannuation, amounted to $3,680,000,000 for the year 1974-75.

Secondly, for people aged less than 60, in all groups, there were the provincial social welfare programs, the general shared costs welfare programs under the Canada Assistance Plan: $1,220 million.

Various assistance programs under the Canada Assistance Plan, category c): $760 million; federal family allowances: $1,780 million; Quebec family allowances: $95 million; workmen's compensation: $400 million; unemployment insurance—we should say "work insurance", it would sound more modern: $2,250 million; disability allowances, dependant pensions under the Canada Assistance Plan and the Quebec Pension Plan: $300 million, which makes a total of $6,805 million. Then we have to add the other related programs: training allowances,

related programs: $240 million; veterans pensions and allowances: $470 million; student loans: $110 million; public housing: the amount is not mentioned; assistance to natives: $80 million, which makes a grand total of $11,395 million for all these programs which are scattered and administered at various levels of government, federal, provincial or municipal.

At the bottom, a note is added to show these are approximate figures, and that other programs may have been omitted from the table.

So, if it is desired to consider very seriously, in terms of figures, the possibility for Canada to introduce the groups of persons that are not included in the bill but that have needs, one could determine quite clearly that it might cost approximately $2 billion. This would bring the cost of these programs to $13,395 million.

But as the minister suggested this afternoon, a deduction should be made from that total of all amounts paid in social welfare and cost sharing programs. This would of course reduce the overall amounts.

Second, consideration should be given to the fact that OAS and welfare payments to various categories of people in Canadian society automatically come back to the Treasury as sales tax and also as income tax, on family allowances for instance. So, everything should be considered in that light, in order not to scare Canadians with astronomical figures and then saying this has no sense.

The Minister of National Health and Welfare (Mr. Lalonde) told us quite seriously this afternoon that over a number of years old age pensions doubled. That may be so. But other things have doubled in the meantime. So finally, there is no gain there.

In 1974, the gross national product in Canada, in inflationary figures, is $140 billion, which, according to Statistics Canada, is equivalent to $79 billion in 1961 dollars. On the other hand, in another table, it is said that the Canadian dollar has lost some of its value. According to the table I have here, the 1974 dollar is worth 60 cents, or 60 per cent of its 1961 value. These are all figures on which we must rely to establish the potential of Canada to help people in need.

There is another possibility; we do not have to invent it. The thousands of young people that we have had educated, for whom we have paid a lot of money, have not become an asset because they are unemployed. We should make some effort to try to allow these young people to enter the labour market, to increase the gross national product, instead of having it reduced as will be the case in 1975. If we do not bother about those young people who have diplomas and try to get them interested, to make them work, to create products to meet the needs of Canadian society, others will do so in our place, and we shall witness other investigations like the one that was held under Mr. Justice Cliche in the area of crime. We should also look into other areas where we shy away from investigating because these areas are headed by big shots. We are not afraid to upset the small fry, but we are more careful when it comes to upsetting the big shots.

Therefore, Mr. Speaker, I believe that it is a good idea to try immediately to ensure income security for the people that I have mentioned, to allow the young people to enter the labour market and contribute to the enrichment and development of our country. In this way, we shall not have to worry about paying higher pensions, as the hon. member for Winnipeg North Centre (Mr. Knowles) said this afternoon. He talked about $300. I remember that at one time, when we, of the Social Credit Party, were talking about $100, we were told that we were cranks, that it was utopian, that it made no sense. This afternoon, the minister told us that we have reached $208, and that it is beginning to make sense. But it would also make sense at a higher level, where more persons will benefit from it, provided everything is done to improve and develop our economy, to increase our production, so that our standard of living might also rise. This will enable our youth to stop being professional loafers and become workers, to be an asset to the country, and our senior citizens will be able to enjoy life with a well deserved income security.

The minister said to us that within the near future, he will submit other legislation on behalf of the category of people I have just mentioned. I very seriously invite the minister to make an effort with a view to accelerating the submission of such a bill, because it is an urgent matter. And he may rest assured that in the same way as he received the support of all members this afternoon, he will also receive their support and cooperation to apply a guaranteed income insurance program that will enable Canadians to live in decent conditions and make the greatest possible use of this country which is ours and which we want to preserve for the present and future generations with laws that will always be based, as I said initially, on the Canadian family. Let us try to work together to reinforce the bounds as much as possible, to respect the rights of the Canadian family, to give this taste of living together, to be really close together at the end of the day, to talk during the evening about national issues, events of the day, but with people who breathe the same air, who eat at the same table, and not, as is the case at this moment, when our children are deserting the home to go and eat here and there, because we have not created a good family climate.

Well, Mr. Speaker, the state has a very large responsibility. As for us, members of parliament, we have to choose the right words when we pass any bill and, in this case, I suggest it would be advisable to review very seriously the section defining the "spouse" and to whom the pension should be paid.

So I hope that during consideration in committee we will study the matter more thoroughly and that the minister is willing to accept our bona fide suggestions so that we will soon pass the bill which will be enforced. The sooner, the better.

● (1630)

[*English*]

The Acting Speaker (Mr. Penner): Order. Before recognizing the minister, I remind the House that if the minister speaks now he will close the debate on this stage of the bill. Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): First of all, Mr. Speaker, I want to thank most sincerely all members of this House whose co-operation throughout this day has made it possible to examine in a serious, yet expeditious way a bill which a great many Canadians must have felt was long in coming.

I am particularly grateful to the hon. member for Winnipeg North Centre (Mr. Knowles) who has gracefully surrendered the hour to which he was entitled under our regulations, both now and at the time reserved for the consideration of private bills. I wish to thank also the hon. member for Bellechasse (Mr. Lambert) for his remarks and the interest he shows in this whole question. As he indicated, this is another step in our way to treat and deal with our senior citizens. Surely the government would like to go still further and more quickly, and if its possibilities were similar to those of the opposition party, and particularly to those of the opposition parties which do not have any chance of ever forming the government in the near future, it would probably make similar propositions. However, as a government, we must consider the available resources in the country at any given moment. The record of the Liberal party, as I said at the outset of this debate, and the record of this government shows the concern, the importance we have attached to the aged in our overall social policy.

I recall that only two years ago, I think, the total amount earmarked for old age security reached slightly over $2 billion. Now, for the current financial year, the amount which will be set aside for this purpose will total $4 billion, which would mean that we will have practically doubled the old age security benefits in the very short time of barely two or three years.

The bill before us has a limited objective. That objective was stated very specifically when the right hon. Prime Minister announced the bill during the last electoral campaign. We committed ourselves to helping those couples who must live on one pension only, that is, that of the spouse who is retired. That is a real problem and many representations were made to the government in this regard at various times. We are not attempting to extend universal pension from the age of 60, or to lower the pensionable age. Instead, we are trying to solve a specific problem a real problem, that of the couple who must live on a single pension. That is the problem this bill is attempting to solve.

The other much broader matter which several hon. members brought up, and which concerns the status of single people and widows, is more closely related to the guaranteed income in Canada.

[*English*]

Indeed, it is not only a question of old age pension; it is a question of what kind of support is going to be provided the people of this country in need, whatever their age and condition.

The hon. member for Hamilton West (Mr. Alexander) asked this morning what were the priorities of the government. It is too bad he has not read the working document that the government published over two years ago. Those priorities are spelled out in black and white. To make it even easier for members opposite, the priorities and the propositions of the government are spelled out in dark ink in the text. It should be easy to read. Those propositions are spelled out quite clearly.

[The Acting Speaker (Mr. Penner).]

● (1640)

Our priorities are spelled out in terms of establishing a guaranteed income program to provide an income support program for those who are unable to work or who are unable to find work, and to provide an income supplementation program for the working poor. These are the priorities. We have been working on these for two years with the provinces, and have started implementing a good part of these programs, especially with regard to income support by increasing old age security and improving the Canada Pension Plan and the Quebec Pension Plan, by indexing benefits, and tripling family allowances. We have taken those steps.

Not only have we been holding discussions with the provinces over a period of two or three years but we have brought in reforms and have made progress in respect of social security.

Certainly there are improvements which could be made, but I might say to those who have asked today that we just lower the age to 60 tomorrow that the Minister of Finance (Mr. Turner) filed an answer to a question in this House a few weeks ago in which he showed how much this would cost. It would cost about $3 billion, merely for the level of pensions we are talking about at the present time. I am not talking about the $300 or $350 mentioned by some hon. members but rather the guaranteed program. Since a good part of this money will be distributed on a universal basis the question that arises is whether this is the real priority we should have in looking after the needs of the people of this country. My answer is no, for a very good reason. If we were to buy this argument now we would be using several hundred millions of dollars, as a matter of fact several billion dollars, to put money in the hands of people who do not necessarily need it.

When we are asked what our priorities are, I say that they are not in terms of further universal programs but rather are in terms of selective programs. This is what the guaranteed income approach is.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether the minister would answer a question. While he is speaking in these terms may I ask him what is the logic by which the government decides that a woman aged 62 who is married is to be covered under the old age security program whereas another woman who is 62 and a widow or a spinster must wait for the guaranteed annual income?

Mr. Lalonde: I thought I had answered the hon. member's question earlier. The logic of it simply is that when you have a couple one member of which is forced to retire at age 65 it would be unfair to limit the benefits to one person.

Mr. Knowles (Winnipeg North Centre): What about the one person living alone on nothing?

Mr. Lalonde: I accept that this is a problem which arises, but not only for people age 60 or 65. The same problem arises in respect of people age 55, 45, the handicapped, and those out of work. It arises in respect of single people, bachelors, and widows of whatever age if they cannot find employment.

The approach of the government is to establish a guaranteed income program which would take care of all these cases whatever the age, the condition, or whether those involved are married or single. As I have mentioned, we have taken an interim step to take care of an obvious unfairness and deficiency in our old age security system. This is one step, and there are more to come. I want to advise the hon. member for Winnipeg North Centre, however, that these will not be universal programs. They will be selective programs and will not be limited to persons of age 65. We want to have a social security system in this country to take care adequately of all people in need whatever their age or their condition. These are the objectives of the government.

The hon. member for Victoria (Mr. McKinnon) referred to this bill and made various comments about it. Comments were made concerning common law marriages. I must say that I take seriously some of the comments made. I would refer hon. members to the text of the bill and the definition of "spouse". They will find in effect that this provision is comparable to the provisions in other bills. I would remind hon. members that there is no intention on the part of the government or of parliament to pass a moral judgment about this or that particular situation in life.

I would remind hon. members that common law marriages have been accepted for quite a period in Canada both at the provincial and federal levels in respect of rights. This also applies to social security rights. So, we must look at this question in a rather less partisan and phony way than the way in which it has been argued here today. I am sure we will have an opportunity to discuss this matter further before the committee.

To return to the question raised by the hon. member for Victoria, may I say I can understand his argument but I cannot understand his conclusion when he referred to this bill as a mean bill. I think that is the expression he used. Well, this may be a mean bill, but it is a mean bill which is providing about $100 million in benefits to our senior citizens. If this is a mean bill, I would say that the opposition party when it was in office for six years did not introduce one single bill in the field of old age security that involved such an amount. I say that in the six years in which the Tories were in office the additions in respect of old age security did not come out to the total amount covered in benefits under this so-called small or mean bill.

Mr. Baker (Grenville-Carleton): But it was worth more at that time.

Mr. McKinnon: What about inflation? I referred to this as a mean bill for the same reason the hon. member for Winnipeg North Centre (Mr. Knowles) objected to it. It is mean because it does not cover widows and spinsters.

Mr. Lalonde: Mr. Speaker, I think I have answered the hon. member's argument. I have explained the rationale of this bill. I do not want to go into the details at this particular stage. The bill will be considered in committee.

● (1650)

I will conclude by thanking once more all hon. members who have participated in this debate today for their contributions. I think many points have been made on this subject with some vigour, but this is what we can expect in the House of Commons. If there were no vigour here, I do not know where else we could find it.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a question for the minister. This week, I asked a very serious question to the parliamentary secretary. I will repeat it to the minister because Mr. Speaker had invited me to do so at this time.

There are some clarifications I would like to have. Suppose a spouse of 62 who benefits from the legislation because his or her spouse is 65 years old or more. Suppose the elder dies; what happens to the survivor, who is younger and is not yet 65 years old?

Mr. Lalonde: I thought I answered this question this morning again, when I made my opening speech in the debate on second reading. I indicated then that the object of the bill being to cover only the couple forced to live on the pension of one person only, as the case you mentioned, if the widow or the widower does not qualify directly, it is obvious that the payment of the special allowance stops and, if the person is in dire circumstances, he or she comes under public welfare, to which the federal government contributes on a 50 per cent basis with the provinces.

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I may ask the minister a question. What the last hon. member to speak raised is very interesting and it is a matter that has concerned me. Has the minister any figure he might be able to give us as to what it might cost the government to remedy what I think is a defect, the matter which has just been raised? I think it is a defect in practical terms. The legal argument that the minister has given I can understand, but in real, practical terms it could be a great difficulty for a family caught in that situation as described by the hon. member, when they are caught in the reversion as the result of the death of one spouse. Does the minister know what it would cost?

Mr. Lalonde: I am in no position to give an answer at this time. Any answer would have to be very rough estimate. I can try to make a rough guess, and I will provide that information to the committee.

The Acting Speaker (Mr. Penner): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I thank those who have waited to discuss my bill, Bill C-249,

but perhaps we can do that some other day. May we call it five o'clock?

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Penner): Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Penner): It being five o'clock, the House stands adjourned until Monday at 2 p.m.

At 4.55 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME VI